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In The
Supreme Court of the United States

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GEORGE G. RODRIGUE, JR. & RICHARD STEINER,
Petitioners,
versus

VERONICA HIDALGO RODRIGUE,
Respondent.

◆

On Petition For A Writ Of Certiorari To The United States Court Of Appeals For The Fifth Circuit

◆

PETITION FOR WRIT OF CERTIORARI

◆

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QUESTION PRESENTED

Whether the Copyright Clause of the United States Constitution and the United States Copyright Act preempt state community property law on the issue of copyright ownership.

PARTIES TO THE PROCEEDING

All parties to the proceeding are listed in the caption.

TABLE OF CONTENTS

Page

QUESTION PRESENTED i

PARTIES TO THE PROCEEDING ii

TABLE OF CONTENTS iii

TABLE OF AUTHORITIES v

PETITION FOR A WRIT OF CERTIORARI 1

OPINIONS BELOW 1

STATEMENT OF THE BASIS FOR JURISDICTION 1

CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED 2

STATEMENT OF THE CASE 3

REASONS FOR GRANTING THE WRIT OF CERTIORARI 6

ARGUMENT 7

- I. The Copyright Clause of the United States Constitution Conflicts with Both Louisiana Community Property Law and the Fifth Circuit's New Regime of Dismembered Copyrights 9
- II. The Copyright Act of 1976 Conflicts with Both Louisiana Community Property Law and the Fifth Circuit's New Regime of Dismembered Copyrights 11
  - A. "Vesting" of Copyright Means Vesting of Copyright Ownership 12
  - B. Copyright's Exclusive Rights Necessarily Include the Right to Economic Benefits 13

TABLE OF CONTENTS - Continued

Page

C. The New Duty to "Manage Prudently" Copyrights That the Court of Appeals Has Imposed on Authors Conflicts with the Copyright Act.............................. 17

CONCLUSION 19

TABLE OF AUTHORITIES

Page

CASES

Arthur Rutenberg Homes, Inc. v. Drew Homes, Inc., 29 F.3d 1529 (11th Cir. 1994) 12

Attia v. Society of the N.Y. Hosp., 201 F.3d 50 (2d Cir. 1999) 16

Autoskill, Inc. v. National Educ. Support Systems, Inc., 994 F.2d 1476 (10th Cir. 1993) 13

Aymes v. Bonelli, 980 F.2d 857 (2d Cir. 1992) 13

Boggs v. Boggs, 520 U.S. 833 (1997) 7

Brown v. Ames, 201 F.3d 654 (5th Cir. 2000) 7

CCC Information Servs., Inc. v. Maclean Hunter Market Reports, Inc., 44 F.3d 61 (2d Cir. 1994) 16

Community for Creative Non-Violence v. Reid, 490 U.S. 730 (1989) 6, 12

Crosby v. National Foreign Trade Council, 120 S. Ct. 2288 (2000) 7

Effects Assocs., Inc. v. Cohen, 908 F.2d 555 (9th Cir. 1990) 13

Geier v. American Honda Motor Co., Inc., 120 S. Ct. 1913 (2000) 7

Hines v. Davidowitz, 312 U.S. 52 (1941) 7

Hisquierdo v. Hisquierdo, 439 U.S. 572 (1979) 17

Imperial Homes Corp. v. Lamont, 458 F.2d 895 (5th Cir. 1972) 15

In re Boyer, 538 N.W.2d 293 (Iowa 1995) 17

TABLE OF AUTHORITIES – Continued

Page

Johnson v. Johnson, 726 So. 2d 393 (Fla. Ct. App. 1st Dist. 1999) 17

Kewanee Oil Co. v. Bicron Corp., 416 U.S. 470 (1974) 17

Kirby Forest Indus., Inc. v. United States, 467 U.S. 1 (1984) 14

MacLean Assocs., Inc. v. Wm. M. Mercer-Meidinger-Hansen, Inc., 952 F.2d 769 (3d Cir. 1991) 13

Mazer v. Stein, 347 U.S. 201 (1954) 15

Mitchell Bros. Film Group v. Cinema Adult Theater, 604 F.2d 852 (5th Cir. 1979) 10

New York v. United States, 505 U.S. 144 (1992) 10

Phillips v. Washington Legal Foundation, 524 U.S. 156 (1998) 14

Rodrigue v. Rodrigue, 218 F.3d 432 (5th Cir. 2000) 1

Rodrigue v. Rodrigue, 55 F. Supp. 534 (E.D. La. 1999) 1

Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225 (1964) 17

Sony Corp. of Am. v. Universal City Studios, Inc., 464 U.S. 417 (1984) 15

Twentieth Century Music Corp. v. Aiken, 422 U.S. 151 (1975) 15

Walthal v. Rusk, 172 F.3d 481 (7th Cir. 1999) 12

Webb's Fabulous Pharmacies, Inc. v. Beckwith, 449 U.S. 452 (1980) 14

TABLE OF AUTHORITIES - Continued

Page

Williamson v. Williamson, 844 F.2d 1166 (5th Cir. 1988) 14

Zacchini v. Scripps-Howard Broadcasting Co., 433 U.S. 562 (1977) 15

Federal Constitution

U.S. Const. art. I, § 1 10

U.S. Const. art. I, § 8, cl. 8 ..... 2, 8, 9

Federal Legislation

17 U.S.C. § 106 13

17 U.S.C. § 201(a) 2, 8, 11

28 U.S.C. § 1254(1) 1, 2

Federal Rules

U.S. Sup. Ct. R. 10(c) 6

State Legislation

La. Civ. Code art. 2336 ..... 2, 8

La. Civ. Code art. 2338 ..... 2, 8, 11

Miscellaneous Authorities

Aubry & Rau, Droit Civil Français (7th ed. 1961) (La. St. Law Instit. Transl. 1966) 15

Birrell, Seven Lectures on the Law and History of Copyright in Books (1899) 15

Goldstein, Copyright (2d ed. 1998) 4

TABLE OF AUTHORITIES – Continued

Page

Nayo, *Revisiting* Worth*: The Copyright as Community Property Problem*, 30 U.S.F. L. Rev. 153 (1995) 5

Nevins, *When an Author's Marriage Dies: The Copyright-Divorce Connection*, 37 J. Copyright Soc'y 382 (1990) 4, 11

Nimmer & Nimmer, Nimmer on Copyright (1996) 4

Nimmer, *Copyright Ownership by the Marital Community: Evaluating* Worth, 36 U.C.L.A. L. Rev. 383 (1988) 4

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Polacheck, *The "Un-Worth-Y" Decision: The Characterization of a Copyright as Community Property*, 17 Hastings Comm./Ent. L.J. 601 (1995) 5, 11

Roberts, *Worthy of Rejection: Copyright as Community Property*, 100 Yale L.J. 1053 (1991) 5

Salkowski, Institutes and History of Roman Private Law (E.E. Whitfield trans. 1886) 14

Yiannopoulos, Personal Servitudes (3d ed. 1989) 5

PETITION FOR A WRIT OF CERTIORARI

George G. Rodrigue and Richard Steiner ("Petitioners") hereby petition this Court for a writ of certiorari to review the Opinion and Judgment of the United States Court of Appeals for the Fifth Circuit entered in *Rodrigue v. Rodrigue,* No. 99-30334 (Jul. 7, 2000).

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OPINIONS BELOW

The July 7, 2000 opinion of the United States Court of Appeals for the Fifth Circuit in *Rodrigue v. Rodrigue,* 218 F.3d 432 (5th Cir. 2000) (Fifth Circuit No. 99-30334), is reprinted in the petitioners' appendix at App. 1 through App. 26. The September 22, 2000 order of that court denying rehearing and rehearing *en banc* is reprinted in the appendix at App. 27 through App. 28. The February 12, 1999 Order and Reasons of the United States District Court for the Eastern District of Louisiana in *Rodrigue v. Rodrigue,* 55 F. Supp. 534 (E.D. La. 1999) (Eastern District Civil Action No. 95-2862), is reprinted in the appendix at App. 29 through App. 56.

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STATEMENT OF THE BASIS FOR JURISDICTION

The judgment of the United States Court of Appeals for the Fifth Circuit sought to be reviewed was entered on July 7, 2000. *See* App. 1. That court denied rehearing and rehearing *en banc* in an order entered on September 22, 2000. *See* App. 27. Title 28 U.S.C. § 1254(1) confers on this

Court jurisdiction to review on a writ of certiorari the judgment of the court of appeals. *See* 28 U.S.C. § 1254(1).

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CONSTITUTIONAL PROVISIONS AND STATUTES INVOLVED

The Copyright Clause of the United States Constitution provides as follows:

> The Congress shall have Power . . . To Promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. *See* U.S. CONST. art. I, § 8, cl. 8.

The United States Copyright Act of 1976 provides in part as follows:

> *(a) Initial Ownership.* Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are co-owners of copyright in the work. *See* 17 U.S.C. § 201(a).

The Louisiana Civil Code provides in part as follows:

> *Article 2336. Ownership of Community Property*
>
> Each spouse owns a present undivided one-half interest in the community property. . . . *See* LA. CIV. CODE art. 2336.
>
> *Article 2338. Community Property*
>
> The community property comprises: property acquired during the existence of the legal regime through the effort, skill, or industry of either spouse. . . . *See* LA. CIV. CODE art. 2338.

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STATEMENT OF THE CASE

Petitioner George G. Rodrigue, Jr. ("George") and respondent Veronica H. Rodrigue ("Veronica") were married in 1967, and thereafter resided in Louisiana, a community-property jurisdiction. During their marriage, George created thousands of copyrighted works of authorship, including innumerable works containing a *Blue Dog* image. *See* App. 60 (sample *Blue Dog* image). George and Veronica divorced in 1994. Since their divorce, George has continued to produce copyrighted works of authorship, many of which contain *Blue Dog* images. Veronica seeks to share under Louisiana community-property law any post-divorce income that George earns from works containing *Blue Dog* images, among others.

In 1995, George filed suit against Veronica in the United States District Court for the Eastern District of Louisiana. In that suit, George sought judgment declaring him to be the sole owner of all copyrighted works authored by him during their failed marriage. In seeking that declaratory judgment, George argued that the United States Constitution and Copyright Act conflicted with, and therefore preempted, Louisiana community property law on the issue of copyright ownership vis-à-vis he and his ex-wife. Because the parties agreed that no facts were in dispute relating to this preemption issue, George filed a motion for summary judgment on the issue of copyright ownership, which the district court took under advisement in 1998.

In 1999, the district court granted summary judgment in favor of George. *See* App. 56. Because federal copyright law initially vests ownership of copyrights in the "author" alone, and because Louisiana community property law purports to vest ownership in "both spouses" jointly, the district court reached the conclusion that these "provisions clash head-on." *See* App. 40. As a result, the district court correctly held that federal copyright law, "as written preempts Louisiana community property law on the question of ownership of copyrights, and George is the sole owner of the copyrights." *See* App. 55.

Veronica appealed the district court's judgment to the United States Court of Appeals for the Fifth Circuit. On July 7, 2000, that court reversed the district court, holding that no conflict exists between federal copyright law and state community property law. *See Rodrigue v. Rodrigue*, No. 99-30334 (5th Cir. Jul. 7, 2000) (reprinted at App. 1 through App. 26). To reach this result, the court of appeals constructed an entirely-new regime for the vesting of ownership of federal copyrights in community-property states. This new regime – the principles of which had neither been briefed by the parties nor considered by the numerous academic commentators[1] who have addressed this issue – dictates that full ownership of copyrights in community property states will no longer vest in "authors." Rather, copyright ownership will be dismembered[2] and then divided between spouses. Under this regime, authors and their spouses will receive joint ownership of the economic benefits of copyrights, and authors will receive merely the residual rights to use and to transfer their copyrights. *See id.* at App. 24-25; *see also* App. 61 (graphically illustrating the anomalous regime devised by Fifth Circuit). Furthermore, under this new regime, nonauthor spouses will have the right to compel authors, among other things, to produce, distribute and display new works based on community copyrights, if a "prudent administrator" would do so. *See id.* at App. 53. After constructing this novel system of copyright ownership, the Fifth Circuit remanded the case to the district

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[1] Note that the vast majority of academic commentators who have considered whether federal copyright law preempts state community property law on the issue of copyright ownership – including leading copyright scholars such as Nimmer, Goldstein and Patry – have reached the conclusion that copyright law *does* preempt state law. *See, e.g.*, 1 Paul Goldstein, Copyright § 4.4.4.2 (2d ed. 1998); Melville B. Nimmer & David Nimmer, Nimmer on Copyright §§ 6A.01-04 (1996); Francis M. Nevins, Jr., *When an Author's Marriage Dies: The Copyright-Divorce Connection*, 37 J. Copyright Soc'y 382 (1990); David Nimmer, *Copyright Ownership by the Marital Community: Evaluating* Worth, 36 U.C.L.A. L. Rev. 383 (1988); William F.

Patry, *Copyright and Community Property: The Question of Preemption*, 28 Bull. Copr. Soc'y 237 (1981); Debora Polacheck, *The "Un-Worth-Y" Decision: The Characterization of a Copyright as Community Property*, 17 HASTINGS COMM./ENT. L.J. 601 (1995); Note, Carla M. Roberts, *Worthy of Rejection: Copyright as Community Property*, 100 YALE L.J. 1053 (1991). *But see* Lydia A. Nayo, *Revisiting* Worth*: The Copyright as Community Property Problem*, 30 U.S.F. L. REV. 153 (1995).

[2] In civilian parlance, when the right of ownership is broken apart into *abusus*, *usus* and *fructus* (the rights to alienate, use and fruits) and distributed among different people, it is said to be "dismembered." *See, e.g.*, 1 MARCEL PLANIOL & GEORGE RIPERT, TREATISE ON THE CIVIL LAW pt. 2, no. 2745, at 623 (La. St. L. Inst. trans. 1959); A.N. YIANNOPOULOS, PERSONAL SERVITUDES § 1 (3d ed. 1989) ("The right of ownership, which according to traditional civilian analysis includes the elements of *usus*, *fructus*, and *abusus*, may lawfully be dismembered. . . . ").

court to "enter judgment recognizing Veronica's entitlement to an undivided one-half interest in the net economic benefits generated by or resulting from copyrighted works created by George during the existence of the community and from any derivatives thereof." *Id.* at App. 24-25. George timely sought rehearing and rehearing *en banc*, which the Fifth Circuit denied on September 22, 2000. *See* App. 27-28. This petition followed.

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REASONS FOR GRANTING THE WRIT OF CERTIORARI

The United States Court of Appeals for the Fifth Circuit has decided an important question of federal law that has not been, but should be, settled by this Court. *See* U.S. Sup. Ct. R. 10(c). In addition, the court below has decided an important federal question in a way that conflicts with an opinion of this Court. *See id.* More particularly, the court of appeals has decided that full copyright ownership of works created in community property jurisdictions will *not* vest solely in authors. Rather, beneficial ownership of federal copyright entitlements will vest *jointly* in authors and their spouses. This holding conflicts squarely with the Copyright Clause of the Constitution, the Copyright Act of 1976, and this Court's opinion in *Community for Creative Non-Violence v. Reid*, 490 U.S. 730 (1989).

◆

ARGUMENT

As this Court has repeatedly held, "[e]ven without an express provision for preemption," and "even if Congress has not occupied the field," state law is "preempted to the extent of any conflict with a federal statute."[3] Such a preemption-causing conflict exists either (i) when "it is impossible for a private party to comply with both state and federal law," or (ii) when the challenged state law " 'stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress.' "[4]

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[3] *Crosby v. National Foreign Trade Council*, 120 S. Ct. 2288, 2293 (2000).

[4] *Id.* at 2294 (quoting *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941)); *Boggs v. Boggs*, 520 U.S. 833, 844 (1997) (same). The court of appeals erred in its understanding of conflict preemption law in two significant respects.

First, the court of appeals found the case for preemption "particularly weak" because Congress was aware of state community property law and was silent on that issue in the Copyright Act. *See* App. 18; *id.* at App. 18 n.36 (citing *Brown v. Ames*, 201 F.3d 654, 661 (5th Cir. 2000)). However, this Court has held that "the existence of a conflict cognizable under the Supremacy Clause does not depend on express congressional recognition that federal and state law may conflict. . . . [Any contrary] inference of congressional intent is unwarranted . . . simply because the silence of Congress is ambiguous." *Crosby*, 120 S. Ct. at 2302; *see also Geier v. American Honda Motor Co., Inc.*, 120 S. Ct. 1913, 1927 (2000).

Second, the court of appeals distinguished the case at bar from *Boggs* by incorrectly characterizing *Boggs* as a case involving "total preemption of the field of retirement." *See* App. 16 n.32. However, this Court in *Boggs* expressly refused to "consider the applicability of field pre-emption," *Boggs*, 520 U.S. at 841, and instead, decided that case using "[c]onventional conflict preemption principles." *Id.* at 844.

The conflict between the Constitution and the Copyright Act on the one hand, and state community property law on the other, is straightforward. Under federal constitutional and statutory law, full unqualified *ownership* of all copyrights vests in the *author* immediately upon creation of the work.[5] In contrast, under Louisiana community property law, full, unqualified *co-ownership* of all copyrights vests in the *spouses* immediately upon creation of the work.[6] Given this conflict, it is "impossible" to comply with both state and federal law.

The court of appeals, however, held otherwise. Rather than recognizing, as the district court did, that this case presents an "irreconcilable," "head-on" conflict, *see* App. 40, the court of appeals instead attempted to "sort out and reconcile the respective rights and obligations of authors under federal copyright law and their spouses under Louisiana community property law." *See* App. 1. Although the district court believed that any such reconciliation "is properly the [subject] of legislative deliberation and compromise," *see* App. 54, the court of appeals chose instead to rewrite fundamentally both federal copyright law and Louisiana community property law, all the while unconstrained by the limitations imposed by the Copyright Clause of the Constitution. Irrespective of the propriety of such judicial lawmaking in this context, the result of the court of appeals' reconciliation effort – a regime of dismembered copyrights and shared "fruits" – resolves none of the conflicts that were present at the start.

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[5] *See* U.S. Const. art. I, § 8, cl. 8; 17 U.S.C. § 201(a). For a full discussion of this conflict, see *infra* Parts I-II.

[6] *See, e.g.*, La. Civ. Code art. 2336 ("Each spouse *owns* a *present* undivided one-half interest in the community property.") (emphasis added); *id.* art. 2338 ("The community comprises: property acquired during the existence of the legal regime through the effort, skill, or industry of either spouse. . . .").

I. The Copyright Clause of the United States Constitution Conflicts with Both Louisiana Community Property Law and the Fifth Circuit's New Regime of Dismembered Copyrights

The Copyright Clause of the Constitution provides as follows: "The Congress shall have the Power . . . To Promote the Progress of Science . . . , by securing for limited Times to Authors . . . the exclusive Rights to their respective Writings. . . . "[7] Adopted by the Framers without debate,[8] the Copyright Clause is one of several constituting Article I, section 8 – the section enumerating Congress' most significant powers.

Both Louisiana community property law and the new regime of dismembered copyrights constructed by the court of appeals squarely conflict with the Copyright Clause for several reasons. First, although the Copyright Clause expressly provides that only *"Authors"* can "secur[e]" copyrights,[9] the court of appeals opinion will permit states to grant property rights in copyrighted works to nonauthors. Second, although the Copyright Clause expressly provides that authors may obtain rights only in "*their* respective Writings. . . . ,"[10] the court of appeals opinion will permit states to grant property rights to spouses in copyrighted works created by others. Third, although the Copyright Clause specifically gives only "Congress" the power to grant federal copyright entitlements,[11] the court of appeals opinion will permit *states* to grant such entitlements to nonauthors. Finally, although the Copyright Clause permits Congress to grant copyright entitlements only "[t]o Promote the Progress of Science,"[12] the court of appeals opinion will permit states to grant copyright entitlements to spouses purely to promote the goal of marital-equality.

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[7] U.S. Const. art. I, § 8, cl. 8.

[8] *See* Nimmer, *supra* note 1, § 1.01[A], at 1-4.

[9] U.S. Const. art. I, § 8, cl. 8 (emphasis added). Because this clause empowers Congress to "secur[e]" copyrights for "Authors," it does not prohibit Congress from permitting authors to transfer these copyrights subsequent to "securing" them.

For all of these reasons, it is "impossible" to give effect both to Louisiana community property law (which purports to grant copyright entitlements to nonauthors), and to the Copyright Clause of the Constitution (which requires that copyright entitlements be granted only *by* "Congress," and then only *to* "[a]uthors," in "their" works, and only *for* one purpose, namely, to promote the creation of works of authorship). Therefore, the court of appeals erred.

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[10] *Id.* (emphasis added).

[11] *See id.*; *id.* art. I, § 1; *see also New York v. United States*, 505 U.S. 144 (1992) (states cannot exercise powers delegated to Congress).

[12] *See Mitchell Bros. Film Group v. Cinema Adult Theater*, 604 F.2d 852, 860 (5th Cir. 1979) ("Congress' power under [the Patent and Copyright] Clause is limited to action that promotes [science or] the useful arts").

II. The Copyright Act of 1976 Conflicts with Both Louisiana Community Property Law and the Fifth Circuit's New Regime of Dismembered Copyrights

Section 201(a) of the Copyright Act, entitled "Initial Ownership," provides that ownership of copyright "vests initially in the author or authors" of a work of authorship.[13] In contrast, Louisiana community property law attempts to vest co-ownership of copyright in spouses jointly. *See* LA. CIV. CODE art. 2338. Given that it is "impossible" to comply with both federal and state law with regard to copyright vesting, this straightforward conflict should lead to a simple conclusion, namely, that section 201(a) preempts state community property law – as the district court properly held.[14] The court of appeals did not deny the existence of this conflict. Discounting it as merely "facial," *see* App. 5, the court of appeals proceeded to construct a new, purportedly "compatible," regime of dismembered copyrights. But just as Louisiana's traditional community property regime is incompatible with section 201(a), the appellate court's new regime likewise will conflict with section 201(a).[15]

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[13] 17 U.S.C. § 201(a).

[14] *See* App. 41 ("Article 2338 . . . literally conflicts with the [Copyright] Act. . . . "); *see also* Nevins, *supra* note 1, at 399; Patry, *supra* note 1, at 272; Polacheck, *supra* note 1, at 604; *id.* at 607.

[15] It also conflicts with Louisiana community property law in granting nonauthor spouses a property interest less than full co-ownership – a first for Louisiana family law.

A. "Vesting" of Copyright Means Vesting of Copyright Ownership

The court of appeals constructed its new copyright-ownership regime on tenuous statutory ground. Opining that section 201(a) relates only to "vesting" of "copyright" and "never uses the words 'own' or 'ownership,' " *see* App. 6-7, the court of appeals observed that Congress referred in 201(a) only "to immediate vesting of the copyright, and not to vesting of ownership." *Id.* at 7. And despite that the title to section 201(a) is "Initial Ownership," the court of appeals reasoned that "[t]he title of an act cannot control its words. . . . " *Id.* at 7 n.12. Finally, citing only Black's Law Dictionary, the appellate court concluded that the term "vest" in section 201(a) has merely a "temporal connotation" and no "substantive denotation of the nature and scope of the *ownership* of the property." *Id.* at n.13 (emphasis added).

This holding – that section 201(a) vests something other than full "ownership" of copyright in the author – flatly contradicts the plain language of the Copyright Act itself. Furthermore, it flatly contradicts this Court's prior interpretation of the Act. In *Community for Creative Non-Violence v. Reid,* 490 U.S. 730, 737 (1989), the Court held that "copyright *ownership* 'vests initially in the author or authors of the work.' " Numerous opinions of other federal courts of appeals are in accord with *Reid*: all hold that unqualified copyright ownership vests initially in "authors."[16] The Fifth Circuit clearly erred by holding otherwise.

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[16] *See, e.g., Walthal v. Rusk,* 172 F.3d 481, 484 (7th Cir. 1999) ("The ownership of copyright vests in the author. . . . "); *Arthur*

B. Copyright's Exclusive Rights Necessarily Include the Right to Economic Benefits

The court of appeals constructed its new copyright-ownership regime on erroneous assumptions about the very nature of copyright. The appellate court discounted section 201(a) as pertaining "*only* to 'copyright,' " which, according to the court of appeals, "is a finite bundle of *but* five fundamental rights, being the exclusive rights of reproduction, adaptation, publication, performance, and display." *See* App. 7 (emphasis added); *see also* App. 8-9; App. 17. According to that court, "notably absent" from the "five rights is the right to enjoy the earnings and profits of the copyright." *See* App. 17. Because Congress did not expressly state that the author has the exclusive right to *the revenues* generated by his copyrighted work, the court of appeals held that states are free to give those revenues to nonauthors: "the preemptive effect of federal copyright law extends only to this explicitly-enumerated, lesser-included quintet."[17] *Id.* at 17. In so holding, the court of appeals presumed that the economic incentives

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Rutenberg Homes, Inc. v. Drew Homes, Inc., 29 F.3d 1529, 1530 (11th Cir. 1994) (same); *Autoskill, Inc. v. National Educ. Support Systems, Inc.*, 994 F.2d 1476, 1488 n.12 (10th Cir. 1993) (same); *Aymes v. Bonelli*, 980 F.2d 857, 860 (2d Cir. 1992); *MacLean Assocs., Inc. v. Wm. M. Mercer-Meidinger-Hansen, Inc.*, 952 F.2d 769, 776 (3d Cir. 1991) (same); *Effects Assocs., Inc. v. Cohen*, 908 F.2d 555, 557 (9th Cir. 1990) (same).

[17] Despite the court of appeals' reference to a "quintet" of "five" exclusive rights, Congress some time ago amended the Copyright Act to add a sixth exclusive right. *See* 17 U.S.C. §§ 106(1-6).

that Congress has created for authors are readily detachable from the six exclusive rights themselves. Furthermore, the court below presumed that detaching these economic benefits from the rights themselves will do no harm to federal copyright law.

The court of appeals was mistaken. Under federal copyright law, a copyright owner is entitled to the fruits of his works despite that Congress did not state this obvious proposition in the Copyright Act itself. Since antiquity, it has been a well-settled principle of property law in general that the "owner" of a thing also owns that which it produces.[18] More recently, the fundamental entitlement of a property owner to the fruits of his property has been confirmed by this Court in decisions holding that states cannot take the income produced by a person's money, or the right to derive income from his land, without just compensation.[19]

As to copyright law in particular, since at least the 6th century A.D., it has been well-settled that copyright owners have the right to the fruits and revenues of their works. King Diarmed, in approximately 560 A.D., proclaimed, "[t]o every cow its calf," as his justification for awarding the author of a book the right to its fruits.[20] Since then, copyright owners have enjoyed the revenues of their works in civil-law jurisdictions[21] and in this country alike. In fact, providing economic benefits to authors is not merely a right implicit in the Copyright Act, it is the avowed instrumental goal of American copyright law, as this Court has held: "[t]he immediate effect of our copyright law is to secure a fair return for an 'author's' creative labor."[22] That copyright law exists to assure "personal gain"[23] to authors recently was summarized as follows by Judge Pierre Leval, one of the most respected copyright-law jurists currently sitting on the federal bench: "The purpose for which the Copyright Acts were adopted was to expand human knowledge for the general good by giving creative persons – authors – exclusive control of the copying of their creations as a *financial incentive* to create."[24]

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[18] *See, e.g.*, CARL SALKOWSKI, INSTITUTES AND HISTORY OF ROMAN PRIVATE LAW § 85, at 406-07 (E.E. Whitfield trans. 1886).

[19] *See, e.g.*, *Phillips v. Washington Legal Foundation*, 524 U.S. 156, 168 (1998) ("any interest that . . . accrue[s in IOLTA accounts] attaches as a property right incident to the ownership of the underlying principal"); *Kirby Forest Indus., Inc. v. United States*, 467 U.S. 1, 14 (1984) ("curtailment of a landowner's freedom to make use of or ability to derive income from his land may give rise to a taking"); *Webb's Fabulous Pharmacies, Inc. v. Beckwith*, 449 U.S. 155, 452 (1980) ("earnings of a fund are incidents of ownership of the fund itself and are property just as the fund itself is property"); *see also Williamson v. Williamson*, 844 F.2d 1166, 1171 (5th Cir. 1988) ("the right to collect rents and profits is an incident of land ownership").

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[20] *See* A. Birrell, Seven Lectures on the Law and History of Copyright in Books 42 (1899).

[21] Aubry & Rau, Droit Civil Français § 190, at 170 (7th ed. 1961) (La. St. Law Instit. Transl. 1966) ("The exclusive rights of writers, artists or inventors to the monetary value of their works . . . is considered to be their ownership of this intellectual property."); *id.* at 170-71 ("the purpose [of the term ownership] is to express the existence of an exclusive right to enjoy and dispose of a value and draw from it the benefits it can yield.").

[22] *See Twentieth Century Music Corp. v. Aiken*, 422 U.S. 151, 156 (1975). Note that these economic incentives exist to further the even larger goal of making more works available to the public at large. *Id.*

[23] *See Mazer v. Stein*, 347 U.S. 201, 219 (1954); *see also Sony Corp. of Am. v. Universal City Studios, Inc.*, 464 U.S. 417, 477 (1984) ("Copyright is based on the belief that by granting authors the exclusive rights to reproduce their works, they are given an incentive to create"); *Zacchini v. Scripps-Howard Broadcasting Co.*, 433 U.S. 562, 576 (1977) ("economic incentive . . . underlies the patent and copyright laws long enforced by this Court"); *Imperial Homes Corp. v. Lamont*, 458 F.2d 895, 899 (5th Cir. 1972) ("constitutional and statutory

In short, the holding of the court of appeals that states are free to take from an author half of the revenues generated by his copyrighted works so long as nominal ownership remains with him, guts the very essence of copyright. "Owning" a cup of lemonade without the right to drink it is a hollow right. Just as the essence of lemonade ownership lies in the drinking, the essence of copyright ownership lies in the enjoyment of revenues produced by the exclusive rights. When a state law denies a federal copyright owner the full benefits of copyright, that state law should be preempted. As this Court has held, "[w]hen state law touches upon the area of [the patent and copyright] statutes, it is 'familiar doctrine' that the federal policy 'may not be set at naught, *or*

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protection accorded copyrights" exists to encourage "individual effort by personal gain").

[24] *Attia v. Society of the N.Y. Hosp.*, 201 F.3d 50, 54 (2d Cir. 1999) (emphasis added) (Leval, J.); *see also CCC Information Servs., Inc. v. Maclean Hunter Market Reports, Inc.*, 44 F.3d 61, 65 (2d Cir. 1994) (Leval, J.) ("the objectives of copyright law, which are, as dictated by the Constitution, to promote the advancement of knowledge and learning by giving authors economic incentives (in the form of exclusive rights to their creations) to labor on creative, knowledge-enriching works").

its benefits denied' by the state law."[25] Here, both Louisiana community property law and the court of appeals' new regime of dismembered copyrights take the economic benefits of federal copyrights from authors and vest them in the community.[26] A clearer conflict could not be imagined.

C. The New Duty to "Manage Prudently" Copyrights That the Court of Appeals Has Imposed on Authors Conflicts with the Copyright Act

Finally, under the copyright-ownership regime created by the court of appeals, the author-spouse has a new

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[25] *Sears, Roebuck & Co. v. Stiffel Co.*, 376 U.S. 225, 229 (1964) (emphasis added). This Court further noted that federal intellectual-property law will preempt state law under these circumstances "even if the state law is enacted in the exercise of otherwise undoubted state power." *Id.*; *see also Kewanee Oil Co. v. Bicron Corp.*, 416 U.S. 470, 479-80 (1974) (quoting *Stiffel*, 376 U.S. at 229).

[26] In past community property preemption cases, this Court has flatly rejected attempts to end-run federal law by giving an economic benefit (in lieu of co-ownership) to spouses whose state-law right to share federally-created entitlements was preempted by federal law. *See Hisquierdo v. Hisquierdo*, 439 U.S. 572, 588 (1979) (rejecting monetary award to spouse to compensate her for loss of right to husband's federal railroad retirement benefits). Numerous state courts have followed suit. *See, e.g., Johnson v. Johnson*, 726 So. 2d 393, 395-96 (Fla. Ct. App. 1st Dist. 1999) (prohibiting "the indirect division of benefits by awarding nonparticipating spouse other marital property to compensate for his or her theoretical share of the participating spouse's benefits"); *In re Boyer*, 538 N.W.2d 293, 294-95 (Iowa 1995) ("state courts are without power to directly or (by way of setoff) indirectly divide [federally preempted] benefits").

"duty to 'manage prudently' all [community] copyrights and derivatives thereof." *See* App. 25. According to the court below, this duty "is consistent with – not contrary to – the federal interest in encouraging authorship and exploitation of copyrights," because the duty to "manage prudently" all community copyrights will act as a "stick" to encourage artistic creation. *See* App. 23.

True, copyright law is all about giving authors an incentive to produce works of authorship. But for the first time in the history of American copyright law, this incentive is to come not solely from economic rewards,[27] but rather from "sticks." Section 106 of the Copyright Act initially grants the author the "exclusive right" to decide when, how, and under what circumstances to "reproduce the copyrighted work," to "prepare derivative works based on the copyrighted work," and to "distribute copies" of the work. Under the new regime created by the court of appeals, however, the author's ex-spouse will have the *state law* right to compel him to exercise rights which under *federal law* are "exclusively" his to exercise. This directly conflicts with sections 106 and 201(a) of the Copyright Act.

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[27] To be fair, the court of appeals acknowledges that under its new regime authors will still have an economic incentive to produce derivative works. To quote the court of appeals, the author, after sharing copyright-generated revenues with his spouse, will get a "half-a-loaf" as a "carrot" to spur creation. *See* App. 23.

CONCLUSION

For the foregoing reasons, this Court should grant the petition for a writ of certiorari of petitioners George G. Rodrigue and Richard Steiner.

Respectfully submitted,

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Revised August 18, 2000

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 99-30334

GEORGE G. RODRIGUE, JR. and
RICHARD STEINER Plaintiffs-Appellees,

versus

VERONICA HIDALGO RODRIGUE, Defendant-Appellant.

Appeal from the United States District Court
for the Eastern District of Louisiana

(Filed July 7, 2000)

Before GARWOOD, WIENER, and DENNIS, Circuit Judges:

WIENER, Circuit Judge:

Our task in this appeal, before us under Federal Rule of Civil Procedure 54(b), is to sort out and reconcile the respective rights and obligations of authors under federal copyright law and their spouses under Louisiana community property law when those two legal regimes intersect. Defendant-Appellant Veronica Hidalgo Rodrigue ("Veronica") asks us to reverse the district court's ruling that, by virtue of copyright law, her ex-husband, Plaintiff-Appellee George Godfrey Rodrigue, Jr. ("George"), holds *all* ownership rights in intellectual property that he created during the parties' marriage, to the exclusion of any rights she might otherwise have in those creations by virtue of community property law. Agreeing with Veronica, we reverse and remand with instructions.

I.

Facts and Proceedings

George and Veronica were married in Louisiana in 1967 and were divorced there in 1993. In the absence of an election by them to have any other marital property regime apply, the Rodrigues' Louisiana marriage effected the "legal regime" of matrimonial property,[1] establishing between them a community of acquets and gains, commonly referred to simply as the community.[2]

During the marriage, George became a widely acclaimed, highly successful, and very prolific painter. He created numerous paintings both during the existence of the community and after its termination, a number of which depicted a stylized and easily recognizable image of a blue dog. Modeled after the family pet, Tiffany, the first blue dog painting was created in 1984. George obtained certificates of copyright for some but not all of his paintings.

Divorce terminated the community that had existed between Veronica and George throughout their marriage.[3] As a general proposition, the Louisiana Civil Code provides that, on termination of the community, the property formerly belonging to it becomes subject to the provisions governing co-ownership[4]: "Each spouse owns an undivided one-half interest in former community property and its fruits and products"[5] until partition.[6]

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[1] La. Civ. Code art. 2334.

[2] La. Civ. Code art. 2327.

[3] La. Civ. Code art. 2356.

Following the dissolution of his marriage with Veronica, George and co-Plaintiff-Appellee Richard Steiner, George's former business associate, filed this action in federal court seeking a declaration that George is the sole owner of intellectual property rights in all the paintings, particularly the blue dog image. They also sought to enjoin Veronica from (1) seeking a declaration of her co-ownership of those works, (2) making image transfers, and (3) suing for copyright infringement. Veronica filed a counterclaim in an effort to obtain a declaration that she owns an undivided one-half interest in (1) all intellectual property rights (including, but not limited to, the blue dog) generated during the existence of the community and (2) all post-community artworks that are "derivative" of that intellectual property. Veronica also sought an accounting for her half-interest in the proceeds of post-community use of those copyrights and derivatives.

After the parties filed cross-motions for summary judgment, the district court granted George's, grounding its decision in federal copyright preemption of state community property law. Veronica filed a motion for reconsideration which the court did not address, entering instead an order dismissing all of her claims. Veronica filed a second motion for reconsideration which the court granted to the extent that the previous order purported to resolve all claims of all parties. The court certified the preemption issue for immediate appeal pursuant to Rule 54(b) and stayed the remaining issues.

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[4] La. Civ. Code art. 2369.1.

[5] La. Civ. Code art. 2369.2.

[6] La. Civ. Code art. 2369.8.

In a scholarly and thorough analysis, the district court concluded that, as a matter of *conflict* preemption, subjecting copyrights on works of the author-spouse to Louisiana community property law would damage federal interests in national uniformity and efficient exchange of copyrights. The court held that, as a result of this conflict, the state marital property law is preempted and cannot appertain. The court also considered 17 U.S.C. § 301, the express preemption provision of the federal Copyright Act of 1976 ("the Copyright Act" or "the Act") but concluded that it did not apply because Louisiana's community property law does not purport to provide rights "equivalent" to those specified by the Act. And the court rejected Veronica's "transfer" argument that, even though § 201(a) of the Copyright Act specifies that a copyright "vests initially" in the author at the time of creation of the work, it is transferred to the community by operation of law immediately following such initial vesting.

In concluding that federal law preempts state law in this instance, the district court voiced particular concern about the practicability of copyright co-management by spouses. Still, in describing problems associated with co-management, the court flagged a possible solution: The author-spouse could retain and exercise sole management and control of the copyright without depriving the non author-spouse of the "more tangible benefits." Instead of so holding, however, the court demurred to Congress to decide whether to adopt that approach.

We are convinced that the district court visualized the correct method for reconciling the apparent conflict, but we disagree about the need for a congressional fix. We therefore adopt the approach considered but rejected by that court, and we reverse.

II.

Analysis

We review the grant of summary judgment *de novo*, applying the same standards as the district court.[7]

George contends that provisions of both the Copyright Act[8] and the U.S. Constitution[9] preempt state community property law, preventing his copyrighted artistic works from ever having become property of the community that was created by his marriage to Veronica and thereby exempting his copyrights from division and partition of the community after divorce. Section 201(a) of the Act specifies that a "[c]opyright in a work protected under this title vests initially in the author or authors of the work." In facial contrast, Louisiana Civil Code article

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[7] *Gardes Directional Drilling v. U.S. Turnkey Exploration, Inc.*, 98 F.3d 860, 864 (5th Cir. 1996).

[8] 17 U.S.C. § 101 *et seq.*

[9] Art. I, § 8, cl. 8 ("The Congress shall have power . . . [t]o promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries.")

2338 declares that "property acquired during the existence of the legal regime through the effort, skill, or industry of either spouse" is community property. George insists that federal law, which specifies that the copyrights in the blue dog and other images "vest[ ] initially" in him as the "author," cannot be harmonized with state law, which would hold those self-same copyrights to have been community property and to belong now to the two former spouses in indivision. He argues that, because, under the Supremacy Clause, state law is preempted to the extent that it conflicts with federal law, his copyrights are immune from Louisiana community property law.

We do not disagree with George's general premise; we do disagree, though, with his expansive view of the scope of the conflict between copyright law and community property law, and thus with the extent of the preemptive effect of such conflict. We are satisfied that the conclusion we reach today – that an author-spouse in whom a copyright vests maintains exclusive managerial control of the copyright but that the economic benefits of the copyrighted work belong to the community while it exists and to the former spouses in indivision thereafter – is consistent with both federal copyright law and Louisiana community property law and is reconcilable under both.

We begin by delineating the precise scope of the language of § 201(a)[10] on which George bases his sweeping preemption theory. This subsection pertains only to "copyright," which, by the Act's own definition at § 106, is a finite bundle of but five fundamental rights, being the exclusive rights of reproduction, adaptation, publication, performance, and display.[11] Notably, none of these rights either expressly or implicitly include the exclusive right to enjoy income or any of the other economic benefits produced by or derived from copyrights.

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[10] 17 U.S.C. § 201(a) provides: "Initial Ownership. – Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners of copyright in the work."

Section 201(a) specifies that the copyright "vests" in the author. Except in its title,[12] this subsection never uses the words "own" or "ownership," and the Act does not speak of ownership per se or globally, but only in the sense of the five exclusive attributes listed in § 106. "To vest" means to give an immediate, fixed right of present or future enjoyment; to accrue to; to be fixed; to take effect.[13] "To own" means to have a good legal title; to hold as property; to have a legal or rightful title to; to have; to possess."[14] When analyzed in the framework of the Act's inclusion of only five express attributes of ownership while omitting, *inter alia*, the attribute of enjoyment of economic benefits, Congress's reference to immediate vesting of the copyright, and not to vesting of ownership, supports the more limited construction advocated by Veronica. We agree with her insistence that, in and of itself, "vesting" of the copyright and its five (and five only) statutorily delineated attributes in one spouse does not preclude classification of other attributes of ownership of a copyright as community property. Moreover, by its very title, § 201(a) addresses only *initial* – not *permanent* – vesting of the copyright in the author. And, even though the author's copyright arises at the moment of creation of the work,[15] the Act explicitly allows for subsequent vesting in non-authors, either jointly with the author or subsequent to him by virtue of transfer of all or lesser portions of the copyright.[16]

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[11] 17 U.S.C. § 106; H.R. Rep. No. 94-1476 at 61 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5674.

[12] "The title of an act cannot control its words, but may furnish some aid in showing what was in the mind of the legislature." *Holy Trinity Church v. United States*, 143 U.S. 457, 462, 12 S. Ct. 511, 513 (1892). "While the title of an act will not limit the plain meaning of the text, it may be of aid in resolving ambiguity." *Maguire v. Commissioner*, 313 U.S. 1, 9, 61 S. Ct. 789, 794 (1941) (citations omitted). We perceive no ambiguity here.

[13] BLACK'S LAW DICTIONARY 1563 (6th ed. 1990). We note in passing that the use of "vest" in statutes commonly has a temporal connotation, indicating the time at which an interest in property accrues to its rightful holder, rather than a substantive denotation of the nature or scope of the ownership of such an interest in property.

True, the copyright "vests initially" in the "*author,*" and the "author" is the "originator," the "maker," the person to whom a work "owes its origin."[17] We do not question that George is the sole "author" of the copyrights here at issue. Neither do we mean to suggest that Veronica's co-ownership interests arise from co-authorship. We do conclude, though, that the language of § 201(a), providing that a bundle of but five specific rights, those listed in § 106, "vests initially" in the author, does not ineluctably conflict with any provision of Louisiana matrimonial property law that would recognize that Veronica does have an economic interest in George's copyrights.

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[14] Black's Law Dictionary 1105 (6th ed. 1990).

[15] 17 U.S.C. § 302(a); 1 Melville B. Nimmer & David Nimmer, Nimmer on Copyright, § 5.05(B)(1), at 5-59 (1998) [hereinafter Nimmer on Copyright].

[16] 17 U.S.C. § 201(a), (d); *see Worth v. Worth*, 195 Cal. App.3d 768, 777 (1987) (noting that Act "provides only that the copyright 'vests initially in the author'; and nothing is found in the Act which either precludes the acquisition of a community property interest by a spouse, or which is otherwise inconsistent with community property law").

As a useful framework for understanding the Louisiana Civil Code provisions on which our holding ultimately rests, we begin with general concepts of Louisiana property law. In the Civil Law, the bundle of rights that together constitutes full ownership[18] of property comprises three separate sub-bundles: (1) *usus* – the right to use or possess, i.e., hold, occupy, and utilize the property; (2) *abusus* – the right to abuse or alienate, i.e., transfer, lease, and encumber the property, and (3) *fructus* – the right to the fruits, i.e., to receive and enjoy the earnings, profits, rents, and revenues produced by or derived from the property.[19] In Louisiana, those three facets of ownership may be allocated in various combinations among different persons, with each having less than full ownership.[20] For example, the owner of a legal usufruct ("usufructuary") has the right to use the property burdened with the usufruct (*usus*) and to enjoy the fruits of that property (*fructus*), but does not have the right to alienate the property (*abusus*); that right belongs to the naked owner, albeit subject to the usufruct.[21]

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[17] *Committee for Creative Non-Violence v. Reid,* 490 U.S. 730, 737 (1989) ("As a general rule, the author is the party who actually creates the work, that is, the person who translates an idea into a fixed, tangible expression entitled to copyright protection."); *Burrow-Giles Lithographic Co. v. Sarony,* 111 U.S. 53, 57-58 (1884) ("An author in that sense is 'he to whom anything owes its origin; originator; maker; one who completes a work of science or literature.' ").

[18] Both the terms "full ownership" and "perfect ownership" appear in the Civil Code articles and in Louisiana case law (at least one case also uses the term "complete ownership") and are used roughly interchangeably. We use the term "full ownership" here to connote ownership of all three sub-bundles that together constitute the bundle of all ownership rights in property. *See* La. Civ. Code 477 (providing that the "owner" of a thing may use, enjoy, and dispose of it); Andrew L. Gates III, *Partition of Land and Mineral Rights,* 43 La. L. Rev. 1119, 1129 (1983) ("[P]erfect, or full, ownership consists

When the property in question is a copyright, allocation of these attributes of ownership within the community property framework, according to the rule we announce today, produces a division similar to usufruct but different in combination: The author-spouse alone holds the elements of *usus* and *abusus* – a combination that comprises the exclusive rights to possess, use, transfer, alienate, and encumber the copyright as he sees fit –

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of the right to use, the right to enjoy, and the right to dispose of the property."); *see also* La. Civ. Code art. 478 cmt. b ("Under this revision ownership is no longer distinguished into perfect and imperfect ownership.").

[19] *See Giroir v. Dumesnil*, 184 So.2d 1, 6 (La. 1966).

[20] *Campbell v. Pasternack Holding Co.*, 625 So.2d 477, 480-81 (La. 1993).

[21] *Id.* at 484 n. 13; *In re Stein*, 508 So.2d 1377, 1380 (La. 1987); *see also* La. Civ. Code arts. 538, 539.

free of any management, consent, or participation of the non-author spouse.[22] Obviously, § 106's "five fundamental rights" of reproduction, adaptation, publication, performance, and display are includable harmoniously in the conjointment of *usus* and *abusus* in the author-spouse. But the community during its existence (and the former spouses or other successors after its termination) holds the element of *fructus*, i.e., the right to receive and enjoy the economic benefits produced by or derived from the copyright.[23] The exclusive right of the author-spouse to the *abusus* of the copyright, like that of the naked owner of property burdened by a usufruct, is nevertheless subject to the continuing *fructus* rights of the community so long as the copyright remains vested in the author-spouse, unless partition should modify the situation.

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[22] We leave for another day the question whether the author-spouse, in exercising his exclusive rights to exploit and alienate the copyright both during the existence of the community and after its dissolution, has some agency or fiduciary-like duty to the non-author spouse, such as the duty to act in good faith and not in a manner contrary to her interests, akin to the obligation of a usufructuary to serve as a "prudent administrator" of the usufruct and to "faithfully fulfill" his obligations toward the naked owner, *see, e.g.*, La. Civ. Code art. 571, or to the duty of a mineral lessee to act as a "reasonably prudent administrator," even though not a fiduciary to his lessor. *See, e.g.*, La. Rev. Stat. § 31:122.

For reasons that are not apparent to us, neither party has invited us to consider Civil Code article 2369.3, which imposes an affirmative duty on a spouse "to preserve and to manage prudently former community property under his control" and makes him "answerable for any damage caused by his fault, default, or neglect." As we do not reach this issue, we merely flag this Civil Code article and note its congruity with the exclusive management approach to copyrights under community property law that we adopt today. *See also* KATHERINE SHAW SPAHT & LEE HARGRAVE, LOUISIANA CIVIL LAW TREATISE, MATRIMONIAL ESTATES § 7.20, at 436-37 (1997) (comparing former spouse's duty under § 2369.3 to usufructuary's duty as "prudent administrator").

With those general Civil Law property concepts in mind, we turn next to the Civil Code's articles on marital property. In broadest form, the Code embodies the concept of "equal management" of property belonging to the community: Each spouse, acting alone, has the right to manage, control, or dispose of community property.[24] If this general principle were to be applied across the board to copyrights created by one spouse in community, however, an irreconcilable conflict with the author-spouse's five exclusive § 106 rights of reproduction, adaptation, publication, performance, and display would result. In apparent recognition that such conflicts would likely occur in connection with "movables issued or registered in" the name of one of the spouses,[25] the Civil Code specifies, as an exception to equal management, that such spouse alone has exclusive management rights (the combination of *usus* and *abusus*) but preserves for the spouses jointly the right to enjoy the benefits (the *fructus*) of such property. We conclude that copyrights come within the category of exceptional movables contemplated by such provisions.[26]

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[23] *See* La. Civ. Code art. 551 (defining kinds of fruits: "Civil fruits are revenues derived from a thing by operation of law or by reason of a juridical act, such as rentals, interest, and certain corporate distributions."); La. Civ. Code art. 2339 ("The natural and civil fruits of the separate property of a spouse . . . are community property. . . . "). Note that, because the author enjoys the attribute of *fructus* jointly with the non-author spouse, the author does not acquire a full ownership of the copyright through the civilian doctrine of confusion. *See* La. Civ. Code art. 622.

[24] La. Civ. Code art. 2346.

[25] La. Civ. Code art. 2351.

Numerous examples of exclusive management of community property and shared enjoyment of those assets exist: A paycheck issued by the employer in the name of the employee-spouse alone can be cashed, deposited, or otherwise negotiated only by that spouse; yet, the proceeds of the paycheck, representing earnings of one spouse in community, belong to the community. Likewise, a motor vehicle purchased with community funds but titled in the name of one spouse alone can be sold, leased, or encumbered only by the named spouse[27];

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[26] We are cognizant of (and do not necessarily disapprove) the "transfer" approach of the California court in *Worth*, holding that, under § 201(a), the copyright "vests initially" in the author-spouse at the time of creation, and thereafter, according to § 201(d), is automatically transferred "by operation of [state community property] law," to the matrimonial community. *Worth v. Worth*, 195 Cal. App.3d 768, 774 (1987). Our approach is consistent yet analytically distinct; the author-spouse alone (at the time of creation and at all times thereafter, absent voluntary transfer of the copyright) is vested with the § 106 five exclusive "fundamental rights"; those rights are never automatically transferred to the community. The *fruits* of the copyright, nevertheless, are community property at the "very instant" they are acquired. *See Beatty v. Vining* 147 So. 2d 37, 43 (La. App. 1962).

[27] *See* La. Civ. Code art. 2351.

yet the proceeds of any such disposition belong to the community. And when, during the existence of the community, one spouse joins an existing partnership or joins in the formation of a new one, the partner-spouse has the exclusive right to participate in the partnership and to manage, alienate, or encumber that interest; yet the economic benefits – and liabilities – flowing from the partnership belong to the community.[28]

In concluding that copyrights should be treated the same as paychecks, cars, and partnership interests, we rely initially on Louisiana Civil Code article 2351 which proclaims that "[a] spouse has the exclusive right to manage, alienate, encumber, or lease movables issued or registered in his name as provided by law." This right of exclusive management of those kinds of movables is not coterminous with the community but continues as long as the copyright is vested in the author-spouse, even after partition of the property formerly belonging to the community is complete.[29] Under Louisiana law a copyright is a "movable,"[30] and under federal law a copyright is issued or registered in the name of the author-spouse.[31] In compatible combination, these two systems of law provide for the author-spouse's *exclusive management* of copyrights created during the existence of the community and thereafter until completion of the partition of the property of the former community, while at the same time ensuring that the non author-spouse is not deprived of his or her right to one-half of the economic benefits of the copyright.

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[28] La. Civ. Code art. 2352.

[29] La. Civ. Code art. 2369.5 & cmt. a (creating exception to Civ. Code art. 2369.4). Civil Code article 2369.4 replaces the general rule of equal management that exists during the existence of the community with the rule that, on divorce, each spouse must obtain concurrence of the other to alienate, encumber, or lease former community property. But according to Civil Code article 2369.5, such concurrence is *not* required for community property managed *exclusively* by one spouse, even after divorce. This single-spouse management would continue after partition for as long as the copyright remains vested in the author-spouse, unless the situation is modified by the partition.

The *economic benefits* that flow from particular types of one-spouse assets, including but not limited to cars, paychecks, partnership interests – and copyrights – can inure to the benefit of the community without doing violence to the legal results intended by the Louisiana Legislature or Congress in providing for vesting of title in one spouse only, results designed with third parties in mind, not spouses or other co-owners. In the context of these clearly established concepts and principles, we conclude that federal copyright law does not conflict with, and therefore does not preempt, Louisiana community property law to the extent of denying the entitlement of the non-author spouse (Veronica) to an undivided one-half interest in the economic benefits of the copyrighted works created by the author (George) during the existence of the community, and of the derivatives of such works following its termination.

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[30] *See* La. Civ. Code art. 475 ("All things corporeal or incorporeal, that the law does not consider as immovables [e.g., tracts of land and their component parts, La. Civ. Code art. 462] are movables.").

[31] 17 U.S.C. § 201(a).

In confirmation of this conclusion, we look first to the express preemption provision in the Act itself. When we do so we reach the same initial conclusion as did the district court, that the Act does not mandate the monolithic preemption of Louisiana community property law *in toto.* Section 301(a) of the Act states that "all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright . . . are governed exclusively by this title." For openers, "the general scope of copyright" is not broad enough to cover the entire body of marital property law; that is, copyright law does not occupy the entire "field" and thereby totally eclipse all state marital property law.[32] We do not understand George to quarrel with this basic premise.

Indeed, the Copyright Act, in defining the scope of its own preemptive effect, expressly acknowledges that state law continues to operate unless there is a direct and irreconcilable clash between a state law right and an exclusive right under the Act with which such state law right is equivalent. Section 301(b) expresses that "[n]othing in [§ 301(a) of the Copyright Act] annuls or limits any rights or remedies under the common law or statutes of any State with respect to . . . activities violating legal or equitable rights that are not equivalent to any of the exclusive rights within the general scope of copyright as specified by section 106."[33] To repeat, the only ownership rights that the Act grants exclusively to the author are the rights to (1) reproduce, (2) prepare derivative works, (3) distribute copies, (4) perform, and (5) display the work.[34] Among the entire "bundle" of rights comprising full ownership of property generally, the preemptive effect of federal copyright law extends only to this explicitly-enumerated, lesser-included quintet. As those five exclusive rights of the author conflict with Louisiana's general principle of equal management of community property, that principle cannot operate. Instead Civil Code article 2351's special exception for exclusive management by one spouse applies.

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[32] *Compare* this with ERISA's total preemption of the field of retirement or health benefits in the private sector. *See, e.g., Boggs v. Boggs,* 520 U.S. 833, 117 S. Ct. 1754 (1997).

Notably absent from the Copyright Act's exclusive sub-bundle of five rights is the right to enjoy the earnings and profits of the copyright. Nothing in the copyright law purports to prevent non-preempted rights from being enjoyed by the community during its existence or thereafter by the former spouses in community as co-owners of equal, undivided interests.

The § 301 preemption provision of the Copyright Act was intended to accomplish a "fundamental and significant change" in the existing state of the law, under which published works were governed by federal copyright law and unpublished works were governed by the common law of copyright. The new statute substituted a single, uniform system in place of the existing anachronistic and highly complicated dual system. That goal was accomplished in part by specifying a limited preemption which trumps only those common law or state law rights that are *equivalent* to federal copyright,[35] such as state laws that purport to grant copyright protection to particular works. We discern nothing in the Act's plain wording or legislative history to indicate that Congress – fully aware of the existence of community property laws in a number of states – had any intention of preempting that entire body of non-federal law as well.[36] Our conclusion is buttressed by the explicit clarification in § 301(b) (3), noted above, that the preemptive effect does not extend beyond the subject matter of the Act.

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[33] 17 U.S.C. § 301(b) (3).

[34] 17 U.S.C. § 106.

George nevertheless insists in the alternative that, even if § 301 preemption does not apply, "conflict preemption" does because designating copyrights as community property would do substantial damage to important federal interests.[37] In this argument, George fails (or refuses) to recognize the jurisprudential corollary that "[s]tate family and family-property law must do

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[35] H.R. Rep. No. 94-1476 at 129-30 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5743-44; *see also* Nimmer on Copyright § 1.01(B) (1), at 1-11 (citing same and clarifying meaning of "equivalent" rights).

[36] *See Brown v. Ames*, 201 F.3d 654, 661 (5th Cir. 2000) (noting that case for federal preemption is particularly weak when Congress is aware of operation of state law and nevertheless stands by both concepts and tolerates whatever tension might exist between them).

[37] *Gade v. National Solid Waste Management Assoc.*, 505 U.S. 88, 98 (1992); *Hines v. Davidowitz*, 312 U.S. 52, 67 (1941) (state law is preempted if it "stands as an obstacle to the accomplishment of the full purposes and objectives of Congress").

'major damage' to 'clear and substantial' federal interests before the Supremacy Clause will demand that state law be overridden."[38] He attempts to bolster his conflict preemption argument by demonizing the Louisiana Civil Code doctrine of equal management: If copyrights were to be deemed community property, George contends, both he and Veronica would have the right, acting alone, to control, encumber, or dispose of the copyrights, which in turn would impair federal interests in uniformity and efficient exchange of rights to ensure predictability,[39] and in providing incentives to authors to create.[40] George argues that (1) copyrights will not be amenable to efficient or predictable exchange if spouses have equal rights to impair or dispose of such rights, possibly in conflicting manners, (2) predictability and uniformity will not be served if varying state laws are applied to copyright management issues, and (3) authors will have less incentive to create if they must share the fruits of their creative works. His reliance on these three arguments is misplaced.

George's first contention is negated by our ready recognition today that the author-spouse has the exclusive right to manage and control the copyright, i.e., to deal with it in any manner that is not inconsistent with federal copyright law. This conclusion is supported by our acknowledgment that the general rule of equal management is pre-empted *vis à vis* copyrights and by Louisiana Civil Code article 2351's provision for the exclusive management of movables registered or issued in the name of one spouse. As equal management does not apply to copyrights, federal interests in predictability and efficiency are not impaired by it. A potential purchaser or licensee will still be able to obtain good "title" from the author-spouse alone free of interference from the other spouse.[41]

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[38] *Hisquierdo v. Hisquierdo*, 439 U.S. 572, 581 (1979) (citing *United States v. Yazell*, 382 U.S. 341, 352 (1966)).

[39] *See Brown*, 201 F.3d at 660 (citing legislative history).

[40] *See Goldstein v. California*, 412 U.S. 546, 555 (1973).

George's second contention does not persuade us that allowing differing state laws – in particular, community property laws that differ from state to state among the eight that presently have some version of such marital property regimes[42] – to apply just to the economic benefit derived from copyrights will somehow damage the federal interests in predictability and uniformity. Indeed, the Act itself subjects copyrights to varying state laws for other purposes. For example, copyrights are expressly transferrable by conveyance,[43] and such conventional transfers are governed by individual, *non-uniform* state contract laws; yet no significant obstruction of federal interests has occurred to prompt preemption.[44] In like manner, copyrights are expressly transferable by testamentary disposition or in intestacy,[45] either of which is likely to produce co-ownership of undivided interests in the copyright among the author's heirs or legatees. State law governs such death-related transfers and the resulting co-ownerships they produce, and does so routinely without impairing federal interests.[46] The litigation and management issues arising from contractual conveyance and post-mortem devolution of copyrights[47] has not resulted in obstruction of federal interests leading to preemption of state law, and we discern no reason why the community property result we decree today should fare differently.

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[41] Nimmer on Copyright § 6A.04, at 6A-26 to -27 (noting that solution for this "worst disorder" of "co-owner" spouses issuing rival grants of title to the copyrighted work would be to place sole management and control in author-spouse).

[42] *See* David Nimmer, *Copyright Ownership by the Marital Community: Evaluating* Worth, 26 UCLA L. Rev. 383, 384 n.4 (1988) (listing eight states: Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, and Washington) [hereinafter Nimmer, UCLA L. Rev.].

[43] 17 U.S.C. § 201(d) (1).

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[44] H.R. Rep. No. 94-1476, at 132 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5748 ("Nothing in this bill derogates from the rights of parties to contract with each other and to sue for breaches of contracts. . . . ").

[45] 17 U.S.C. § 201(d) (1).

[46] *See* Nimmer, 26 UCLA L. Rev., at 386-87 n. 13 (noting that proposition that inheritance of copyrights is governed by state laws is "to [sic] obvious to have spawned litigation").

[47] In addition to permitting these two means of copyright transfer, the Act defines "transfer of copyright ownership" to include "assignment, mortgage, exclusive license, or any other conveyance, alienation, or hypothecation of a copyright." 17 U.S.C. § 101. Even though the Act explicitly prohibits involuntary transfers by any governmental body or other official or organization, 17 U.S.C. § 201(e), it specifies that "[t]raditional legal actions that may involve transfer of ownership, such as bankruptcy proceedings and mortgage foreclosures, are not within the scope of [the involuntary transfer] subsection." H.R. Rep. No. 94-1476, at 124 (1976), *reprinted in* 1976 U.S.C.C.A.N. 5659, 5739. These other types of transfer, like contractual conveyance and inheritance, are subject to varying state laws, yet Congress has not perceived any inherent obstruction of federal interests in such additional modes of alienation, and neither do we.

As for George's third contention – that community entitlement to the "fruits" of copyrights would lessen the author's incentive to create or exploit his works, thereby conflicting with the federal interest in encouraging authorship – we decline to assume globally that the commercial and economic interests of spouses *during* marriage are so at odds that one spouse would be disinclined to create copyrightable works merely because the economic benefits of his endeavors would inure to the benefit of their community rather than to his separate estate. As for a former spouse's lack of incentive *following* divorce, we perceive the presence of the proverbial stick and carrot. To mix metaphors, the carrot is the half-a-loaf incentive of the author to exploit pre-divorce copyrights to the best of his ability rather than shelve them and receive no benefit whatsoever; the stick is exemplified by the provision of the Louisiana Civil Code that specifies an affirmative duty "to manage prudently" former community property that remains under one spouse's exclusive control.[48] Indeed, that article imposes a higher duty on a spouse managing *former* community property than the Code otherwise imposes on that same spouse during the marriage[49] or on a third party co-owner who is not a former spouse.[50] "The reason for imposing a higher standard of care in managing former community property is that, after termination of the community property regime, the law no longer assumes that a spouse who has former community property under his control will act in the best interest of both spouses in managing it."[51] Although we need not and therefore do not reach the question of specific management duties, we observe that this affirmative duty imposed by Louisiana law refutes George's argument regarding a former spouse's disincentive to exploit fully a copyright simply because the economic benefits are subject to community property laws. We are convinced that the duty imposed by Louisiana is consistent with – not contrary to – the federal interest in encouraging authorship and exploitation of copyrights, just as we are convinced that most if not all authors will continue to exploit their copyrights after termination of the community rather than cutting off their noses to spite their faces by letting copyrighted works languish.

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[48] *See supra* n. 22 (citing La. Civ. Code art. 2369.3).

[49] La. Civ. Code art. 2354 (liable for "fraud or bad faith").

[50] La. Civ. Code art. 799 (liable for damage "caused by his fault"); *see* La. Civ. Code art. 2369.3 cmt. a.

III.

Conclusion

In the end, we disagree with the district court only to the extent that it held the conflict between Louisiana community property law and federal copyright law irreconcilable absent congressional intercession. We therefore reverse the court's grant of summary judgment declaring George alone to be the owner of the blue dog and other copyrights created during his marriage to Veronica.

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[51] La. Civ. Code art. 2369.3 cmt. a; *see* Katherine Shaw Spaht, *Co-Ownership of Former Community Property: A Primer on the New Law*, 56 La. L. Rev. 677, 699 (1996).

Accordingly, we remand this case, appealed pursuant to Rule 54(b), for entry of an appropriate ruling regarding Veronica's rights with respect to the copyrights and for consistent disposition of all remaining issues still pending before that court.

Specifically, we instruct the district court to determine on remand which copyrights are subject to the rules of community property law that we announce today, either directly as works created during the existence of the community of acquets and gains or derivatively as works created after the termination of the community but based on pre-divorce works.[52] Even though the parties briefed the issue of derivative works in the instant appeal, the district court has not yet ruled on it so that issue is not ripe for our consideration and disposition. In holding that George alone is the owner of all copyrights in the artistic works, the district court denied Veronica's cross-motion for a summary judgment declaring her economic interests in the copyrights, including determination of which post-divorce works were derivative of the artwork created during the marriage. That ruling, however, was not certified to be a final judgment ready for appeal under Rule 54(b). As we now hold that Veronica *does* have economic rights with respect to the copyrights at issue, the district court must determine on remand which works are derivative as well.

We further instruct the district court, following such determinations, to enter judgment recognizing Veronica's entitlement to an undivided one-half interest in the net economic benefits generated by or resulting from copyrighted works created by George during the existence of the community and from any derivatives thereof. Such judgment also must recognize George's continued entitlement to the exclusive control and management of the five rights in such intellectual property specified in § 106, albeit subject to any duty that he might ultimately be held to owe Veronica to "manage prudently" all such copyrights and derivatives thereof under his control.[53]

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[52] *See* 17 U.S.C. § 101 (defining "derivative work"), § 103(a) (providing that subject matter of copyright includes derivative works).

We acknowledge that it is for the state court that has jurisdiction over judicial partition and settlement of the Rodrigue community to determine both the proper method for establishing the value of Veronica's share of these net economic benefits and the proper procedure for delivery of that share to her, whether that be, for example, by (1) an accounting based on the present value of the appraised fair market value of the fully exploited copyrights and derivatives during their expected lifetimes, (2) periodic accountings and payments to Veronica as the copyrights and derivatives are exploited and proceeds are derived from them, or (3) some other altogether different procedure.[54] It follows, of course, that Veronica may continue to pursue judicial partition of former community property in that forum.

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[53] La. Civ. Code art. 2369.3. *Cf supra* n.22.

[54] The court is required to apply the detailed rules in La. Rev. Stat. § 9:2801(4) in partitioning assets and liabilities formerly belonging to the community to ensure that each spouse receives property of equal net value.

Finally, in the interest of judicial economy, we reserve to this panel limited appellate jurisdiction over this case with respect to future appeals – if any – from judgments rendered by the district court on remand in implementation of our instructions. REVERSED and REMANDED WITH INSTRUCTIONS.

IN THE UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

No. 99-30334

GEORGE G RODRIGUE, JR;
RICHARD STEINER

Plaintiffs – Appellees

v.

VERONICA HIDALGO RODRIGUE

Defendant – Appellant

Appeal from the United States District Court for the
Eastern District of Louisiana, New Orleans

ON PETITION FOR REHEARING EN BANC

(Filed Sept. 22, 2000)

(Opinion 7/7/00, 5 Cir., ___, ___ F.3d ___)

Before GARWOOD, WIENER, and DENNIS, Circuit Judges.

PER CURIAM:

(✓) Treating the Petition for Rehearing En Banc as a Petition for Panel Rehearing, the Petition for Panel Rehearing is DENIED. No member of the panel nor judge in regular active service of the court having requested that the court be polled on Rehearing En Banc (Fed. R. App. P. and 5th Cir. R. 35), the Petition for Rehearing En Banc is DENIED.

( ) Treating the Petition for Rehearing En Banc as a Petition for Panel Rehearing, the Petition for Panel Rehearing is DENIED. The court having been polled at the request of one of the members of the court and a majority of the judges who are in regular active service not having voted in favor (FED. R. APP. P. and 5TH CIR. R. 35), the Petition for Rehearing En Banc is DENIED.

ENTERED FOR THE COURT:

/s/ J. Wiener
United States Circuit Judge

CLERK'S NOTE:

SEE FRAP AND LOCAL
RULES 41 FOR STAY OF THE
MANDATE

REHG-6a

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

GEORGE GODFREY RODRIGUE, JR. CIVIL ACTION
VERSUS NO. 95-2862
VERONICA HIDALGO RODRIGUE SECTION "S" (3)

ORDER AND REASONS

(Filed Feb. 12, 1999)

IT IS HEREBY ORDERED that George Rodrigue's Motion for Summary Judgment on the Issue of Federal Copyright Law Preemption (document # 96) is **GRANTED** and Veronica Hidalgo Rodrigue's Motion for Summary Judgment (document # 92) is **DENIED.**

Background

George Rodrigue and Veronica Hidalgo, were married in 1967 and lived together under Louisiana's community property regime until their divorce in 1994. Termination of the marital community was effective June 9, 1993. George is an artist who created numerous paintings during and after the existence of the community, some for which George obtained certificates of copyright.

The matter is before the court on cross motions for summary judgment. Veronica claims that, by operation of Louisiana community property law and in accordance with 17 U.S.C. §201(d), she is a co-owner of all copyrights that arose during the community and is therefore entitled to an accounting for George's use of certain recurring images[1] which, after the dissolution of the community, continue to be thematically expressed in George's paintings.

George argues that (1) he is the sole "author" of all art work; (2) under 17 U.S.C. §201(a), the author is vested initially with title to the copyrights on each work; (3) under §106, the owner has the right to prepare derivative works based on the copyrighted works; and (4) Veronica, therefore, has no interest in the recurring images. Veronica contends that a one-half interest in the copyrights was transferred to her by operation of community property law in accordance with 17 U.S.C. §201(d). George concedes that Veronica is entitled to an accounting for the artworks produced during the existence of the community, and he contends that he has adequately compensated her for her interest in these works. However, George denies that Veronica has any interest in his continued use of the copyrighted recurring images.

George asserts that there is an irreconcilable conflict between copyright law and community property law with respect to both initial vesting of the copyright and any alleged transfer, and therefore Louisiana community property law is preempted by federal copyright law. George contends that after the copyrights vested in him initially under federal law, there was no subsequent transfer of the copyrights, or any interest in them, to Veronica because: (1) no provision of Louisiana community property law authorizes such a transfer; and (2) such an involuntary transfer is prohibited by 17 U.S.C. §201(e). Veronica contends that the application of community property law does not pose any conflict with federal copyright law because federal law contemplates that, after vesting initially in the author, copyrights can be transferred by operation of law, and because application of community property law does not stand as an obstacle to the purposes of federal copyright law.

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[1] Veronica has limited her request for relief to a declaration of her rights with respect to the "Blue Dog" and "Jolie Blonde" images.

Discussion

Summary judgment is proper when, viewing the evidence in the light most favorable to the non-movant, "there is no genuine issue as to any material fact and . . . the moving party is entitled to judgment as a matter of law." *Amburgey v. Corhart Refractories Corp.*, 936 F.2d 805, 809 (5th Cir. 1991); Fed.R.Civ.P. 56(c). If the moving party carries the initial burden of establishing there is no genuine issue of fact, the burden shifts to the non-moving party to produce evidence of the existence of a genuine issue for trial. *Celotex Corp. v. Catrett,* 106 S.Ct. 2548, 2553 (1986). The nonmovant cannot satisfy his summary judgment burden with conclusory allegations, unsubstantiated assertions, or only a scintilla of evidence. *Little v. Liquid Air Corp.*, 37 F.3d 1069, 1075 (5th Cir. 1994) (en banc).

Preemption

The threshold issue of this case is whether and to what extent United States copyright law conflicts with and therefore preempts Louisiana community property law.[2] This court must decide whether it is possible to comply with both federal copyright law and Louisiana community property law, and whether the application of

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[2] The only reported case on this subject concluded, with little analysis, that the Copyright Act does not preempt community property law. The California Court of Appeals addressed the question of preemption of community property law in *In re Marriage of Worth*, 195 Cal.App.3d 768, 241 Cal.Rptr. 135 (1987). Frederick L. Worth authored two trivia encyclopedias during his marriage. Two years after he divorced his wife, Worth filed a federal copyright infringement suit against the makers of Trivial Pursuit, the board game. His ex-wife obtained a state court order declaring that she was entitled to half of any recovery from the infringement suit. Worth appealed; however, his appeal became moot when the federal district and appellate courts rejected his infringement suit. The California Court of Appeal nonetheless considered the ex-wife's case on the grounds that the petition for certiorari in the infringement case was still pending. The Court of Appeal addressed the issue of the ownership of the copyright in the trivia books and concluded that state community property laws are not preempted by the Copyright Act. Most commentators repudiate Worth. *See* 1 Melville Nimmer and David Nimmer, *Nimmer on Copyright* §6A.03[C] and n.50 (1992); Debra Polacheck, *The 'Un-Worth-y' Decision: The Characterization of a Copyright as Community Property*, 17 Hastings Comm./Ent. L.J. 601 (1995); Carla M. Roberts, *Worthy of Rejection: Copyright as Community Property*, 100 Yale L.J. 1053 (1991). *See also* Francis M. Nevins, Jr., *When an Author's Marriage Dies: The Copyright – Divorce Connection*, 37 J. Copr. Soc'y U.S.A. 382 (1990); David Nimmer, *Copyright Ownership by the Marital Community*, 36 U.C.L.A.L.R. 383 (1988); Peter J. Wong, *Asserting the Spouse's Community Property Rights in Copyright*, 31 Idaho L.Rev. 1087 (1995); Michael J. Perlstein, *Copyright as Community Property: Questions About Worth Are More Than Trivial*, 9 No. 11 Ent. L. Rep. 3 (1988). *Cf. also* William Patry, *Copyright and Community Property: The Question of Preemption*, 28 Bull. Copr. Soc'y U.S.A. 237 (1981) (a pre-*Worth* article).

Louisiana community property law is an obstacle to the goals of copyright law.

When state and federal law clash, federal law prevails. U.S. Const. Art. VI, cl.2 ("This Constitution, and the Laws of the United States which shall be made in Pursuance thereof . . . shall be the supreme Law of the Land. . . . "); *Ridgway v. Ridgway,* 102 S.Ct. 49 (1981). "[T]he question whether a certain state action is preempted by federal law is one of congressional intent." *Gade v. National Solid Waste Management Ass'n,* 112 S.Ct. 2374, 2381 (1992) (internal quotation and citation omitted) (Illinois regulation impliedly preempted as in conflict with purposes and objectives of Occupational Safety and Health Act). "To discern Congress' intent we examine the explicit statutory language and the structure and purpose of the statute." *Id.* "Pre-emption may be either express or implied, and is compelled whether Congress' command is explicitly stated in the statute's language or implicitly contained in its structure and purpose." *Id.* 112 S.Ct. at 2383. "[A] federal statute implicitly overrides state law either when the scope of the statute indicates that Congress intended federal law to occupy a field exclusively or when state law is in actual conflict with federal law." *Freightliner Corp. v. Myrick,* 115 S.Ct. 1483, 1487 (1995) (internal citations omitted) (National Traffic and Motor Vehicle Safety Act did not preempt state common law claims). The Supreme Court has also "found implied conflict preemption where it is impossible for a private party to comply with both state and federal requirements and execution of the full purposes and objectives of Congress." *Id.* (internal quotations and citations omitted.)

Historically, however, all legal issues relating to families have been the exclusive province of state law not federal law. *Hisquierdo v. Hisquierdo,* 99 S.Ct. 802, 808 (1979). When there is conflict between state family law and federal law, state law is not lightly set aside. *Id.* Preemption of state law may be necessary when Congress has positively required preemption by direct enactment. *Id.* However, a "mere conflict in words" between federal law and state family and family property law is not sufficient grounds for overturning state law. *Id.* Rather, "family property law must do 'major damage' to 'clear and substantial' federal interests" before state law is overridden. *Id.* Under the test described in *Hisquierdo,* in order for federal law to preempt state family law, (1) there must be some sort of express conflict between the two; and (2) the state law must do "major damage" to "clear and substantial" federal interests. *Id.*

Preemption of Community Property Laws in Other Contexts

The United States Supreme Court has held that community property law is preempted in some instances where it affects a federally created property right. In *Hisquierdo,* the Court, relying on the preemptive effect of the Railroad Retirement Act's anti-alienation provision, 45 U.S.C. §231m, held that benefits arising during marriage and payable to covered railroad workers under that act were not community property subject to division upon divorce. *Hisquierdo,* 99 S.Ct. at 809-810. Similarly, in *McCarty v. McCarty,* 101 S.Ct. 2728 (1981), the Court held that military retirement pay was separate property because the federal military retirement scheme preempted state community property laws. Federal savings bonds regulations were held to preempt state community property laws in *Free v. Bland,* 82 S.Ct. 1089 (1962). *See also, Yiatchos v. Yiatchos,* 84 S.Ct. 742 (1964) (also addressing the preemptive effect of savings bonds regulation.) In *Ridgway v. Ridgway,* 102 S.Ct. 49 (1981), the Court held that federal rules concerning military life insurance benefits preempted state law.[3] More recently, in *Boggs v. Boggs,* 117 S.Ct. 1754 (1997), the Court held, by a 5-4 margin, that ERISA preempted Louisiana's community property law when a non-participant spouse attempted a testamentary disposition of undistributed pension benefits.

Community property law has not fared well in preemption battles before the Supreme Court. Congress, however, has legislatively overruled the holdings in *McCarty* and *Hisquierdo* by making railroad and military retirement benefits subject to community property law. *See* 45 U.S.C. §231m (amended 1983) and 10 U.S.C. §1408(c)(1) (amendment effective retroactively as of the day of the *McCarty* decision). "Typically, the federal government has operated within a traditional common law property background in drafting its regulations and has often precluded application of community property principles within those regulations. Recent developments with federal pensions, however, indicate a growing respect for state community property laws. . . . The United States Supreme Court was not receptive to state community property policies in deciding that federal retirement plans would be the separate benefits of the covered employees. Congress, however, reversed those decisions and provided for the application of state community property laws in significant areas." Katherine S. Spaht & W. Lee Hargrave, 16 *Louisiana Civil Law Treatise*, Matrimonial Regimes, §3.40, 3.45 (2d ed. 1997) ("Spaht & Hargrave").

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[3] The preempted state law was a Massachusetts court order rather than a community property law. *Ridgway,* 102 S.Ct. at 52.

Community Property Law and Copyright Law

Community property law is a venerable product of the civil law based on the "real partnership" between husband and wife in marriage. *Boggs*, 117 S.Ct. at 1760. Louisiana's community property law is one of the most deeply rooted community property regimes in the nation, tracing its roots to Louisiana's days as a Spanish and French colony. Spaht & Hargrave, §1.1. *See also* William Patry, *Copyright and Community Property: The Question of Preemption*, 28 Bull. Copr. Soc'y U.S.A. 237 (1981) ("Patry"); David Nimmer, *Copyright Ownership by the Marital Community*, 36 U.C.L.A.L.R. 383, 384, n.2 (1988) ("Nimmer Article"). Fundamental to Louisiana's community property regime is the principle that property acquired during the existence of the marital community "through the effort, skill, or industry of either spouse" is community property in which each spouse owns an undivided one-half interest. La. Civ.Code arts. 2336 and 2338. Under Louisiana law, the recurring images in the art works created during the marriage would be community property as products of the "effort, skill, or industry" of a spouse. La. Civ.Code art. 2338. *See also Worth*, 241 Cal.Rptr. at 136-37.

Federal copyright law arises from Article I, §8, cl.8 of the U.S. Constitution which empowers Congress:

> To promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries. . . .

U.S. Const. Art. I §8, cl.8.[4]

A copyright is a federally created and regulated form of property consisting of rights arising from creation of an original work. These rights include the right to copy and distribute the work, to prepare derivative works, and to display the works. 17 U.S.C. §106.

The Congressional intent behind the grant of patents and copyrights is to encourage individual effort by personal gain in order to advance the public welfare through the talents of authors and inventors. *See Mazer v. Stein,* 74 S.Ct. 460, 471 (1954). "Creative work is to be encouraged and rewarded, but private motivation must ultimately serve the cause of promoting broad public availability of literature, music, and other arts." *Twentieth Century Music Corp. v. Aiken,* 95 S.Ct. 2040, 2044 (1975). Another goal is to maintain a single national standard to permit copyrighted works to be exchanged efficiently. *See* 1 Melville

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[4] While at least one commentator regards the monopoly grant and public good as almost competing or at least counterbalancing, Peter J. Wong, *Asserting the Spouse's Community Property Rights in Copyright,* 31 Idaho L.Rev. 1087, 1090-92 (1995), a better view is that the monopoly grant is the *means* chosen by the Framers and Congress to promote the public good. It is for Congress to determine where the author's monopoly and the public good might diverge.

Nimmer and David Nimmer, *Nimmer on Copyright* §1.01[A] (1992) ("Nimmer Treatise"). "[F]ederal copyright laws ensure 'predictability and certainty of copyright ownership,' 'promote national uniformity' and 'avoid the practical difficulties of determining and enforcing an author's rights under the differing laws and in the separate courts of the various States.' " *In re Peregrine Entertainment, Ltd.*, 116 B.R. 194, 199 (C.D.Cal.1990) (quoting *Community for Creative Non-Violence v. Reid*, 109 S.Ct. 2166 (1989)). "One of the fundamental purposes behind the Patent and Copyright Clauses of the Constitution was to promote national uniformity in the realm of intellectual property. *See* The Federalist No. 43, p. 309 (B. Wright ed.1961)". *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 109 S.Ct. 971, 983 (1988). *See also* 17 U.S.C. §301; *Reid*, 109 S.Ct. 2166.[5] *Cf. also Goldstein v. California*, 93 S.Ct. 2303 (1973) (objective of copyright clause in Constitution was to facilitate granting of rights "national in scope").

Scope of Express Preemption by the Act

Section 301 of the current Copyright Act, enacted in 1976, ("the Act") expressly provides for preemption of state copyright law and provides that all state-created rights, including statutory or common law rights, that are

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[5] In *Reid*, which concerned the issue of when a work was "made for hire," the Court held that agency issues should be resolved under general common law concepts rather than under state law because "the Act is expressly intended to create a federal law of uniform, nationwide application by broadly preempting state statutory and common-law copyright regulation." *Reid*, 109 S.Ct. at 2173.

"equivalent" to any of the rights specified by the Act "are governed exclusively by this title." The Act limits express preemption to matters provided for by sections 102 (original works protected by copyright), 103 (compilations and derivative works) and 106 (exclusive rights in copyrighted works). 17 U.S.C. §301. There is no blanket express preemption of state property laws under §301; the federal scheme simply is not so all-pervasive that there is no room for state activity in this area. *Cf. Bonito Boats,* 109 S.Ct. at 986. For example, state mortgage and succession laws may apply simultaneously with copyright law. 17 U.S.C. §§101 ("transfer of copyright ownership") and 201(d)(1); Nimmer Treatise, §10.05A. In addition, the validity of some transfers may be determined by reference to state contract laws, provided that the minimum requirements of 17 U.S.C. §204 are met.[6] *See, e.g., N & D E Co. v. Gustings,* No. 90-4445 (E.D.La.1992), 1992 WL 77581. *Cf. also Goldstein v. California,* 93 S.Ct. 2303 (1973) (a pre-Act case where a California criminal statute prohibiting "record pirating" was held not to be preempted by federal copyright law). On its face, §301 does not expressly preempt community property law because community property law does not necessarily purport to provide rights "equivalent" to those specified by the Act. However, there are specific areas of potential conflict between the Act and Louisiana community property law that result in preemption.

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[6] 17 U.S.C. §204(a) requires that a transfer other than by operation of law must be in writing and signed by the owner of the rights conveyed.

Initial Ownership of the Copyright

The critical point of friction between the Act and community property law concerns initial ownership of the copyright. The Act provides: "Copyright . . . vests initially in the author. . . . " 17 U.S.C. §201. In contrast, Louisiana law provides that property acquired during the existence of the community regime is owned by both spouses in indivision. La. Civ.Code art. 2338. *Cf. Worth,* 241 Cal.Rptr. at 137. These provisions clash head-on.[7]

"Copyright in a work created on or after January 1, 1978 subsists from its creation. . . . " 17 U.S.C. 302(a). A work is "created" when it is "fixed in a copy . . . for the first time . . . [W]here a work is prepared over a period of time, the portion of it that has been fixed at any particular time constitutes the work as of that time, and where the work has been prepared in different versions, each version constitutes a separate work." 17 U.S.C. §101. A copyright comes into existence as soon as an "original"[8] work is "fixed in any tangible medium of expression" (as opposed to a not-yet-manifested idea that is not copyrightable). 17 U.S.C. §102. Consequently, a copyright attaches in favor of the author at each step of creation – each word, musical note or brush stroke – from the first expression of the work. Ownership cannot vest simultaneously in both the author alone and in the community. Community property law may not defeat the clearly expressed intention of Congress by attributing copyright ownership to a non-author at the time of creation. Any community property ownership provision, such as Article 2338, that permits copyright ownership to vest initially in anyone other than the author is therefore preempted.[9] This view is consistent with the Constitutional provision allowing "to Authors . . . the exclusive Right. . . . " Article 2338 not only literally conflicts with the Act (under part one of the *Hisquierdo* test), it does major damage to the substantial federal interest in providing exclusive rights to authors. Consequently, a copyright is separate property of the author spouse upon its creation.[10]

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[7] In the rare case of true co-authorship by both spouses, no such clash exists. 17 U.S.C. §201(a).

[8] The "originality" threshold is quite low; it is only necessary that the work be "independently created by the author and possesses some minimal degree of creativity." *Feist Publications v. Rural Tel. Serv. Co.*, 111 S.Ct. 1282, 1287 (1991). Plaintiff's paintings are clearly "original".

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[9] Even though the community acquires no interest in the copyright, the community acquires the thing that is copyrighted – the paintings. *See* 17 U.S.C. §202.

[10] In addition granting a non-author spouse a copyright interest might run afoul of copyright termination/renewal law with respect to surviving spouses. *See* Nimmer Article, 36 U.C.L.A.L.R. at 403-04; Nimmer Treatise, §§9.02. The Act specifically addresses the rights of surviving spouses. 17 U.S.C. §203(a). To the extent community property-based co-ownership would give a spouse greater rights while the author lives than the spouse would have after the author's death, it would be preempted as inconsistent with copyright law. Nimmer Article, 36 U.C.L.A.L.R. at 403, n.101.

Transfer of Copyright Ownership

While ownership of a copyright vests initially in the author and thus comes into existence as the author's separate property, the Act allows for ownership of a copyright to be transferred by contract or "by operation of law." 17 U.S.C. §201(d). Veronica asserts that ownership of the copyrights was transferred to the community "by operation of law" immediately after vesting in George upon creation of the works. This argument carried the day in *Worth,* 241 Cal.Rptr. at 137, and scholars and commentators aware of the progressive nature and benefits of community property law promote this transfer theory as a means of creating a "unified thoroughfare that can accommodate the basic purposes of [copyright law and community property law] . . . respecting the rights both of authors protected under copyright law and of spouses protected as part of the marital community." Nimmer Articie, 36 U.C.L.A.L.R. at 385; Patry, 28 Bull. Copr. Soc'y U.S.A. at 272; Peter J. Wong, Asserting the Spouse's Community Property Rights in Copyright, 31 Idaho L.Rev. 1087, 1101-02 (1995) ("Wong"). The transfer theory purports to allow the community to obtain though [sic] an infinitesimal passage of time what it is prohibited from doing at the copyright's inception.

Congress has prohibited the involuntary transfer of a copyright except in specific circumstances. Section 201(e) of the Act provides in part:

> When an individual author's ownership of a copyright . . . has not previously been transferred voluntarily by that individual author, no

> action by any governmental body or other official or organization purporting to seize, expropriate, transfer, or exercise rights of ownership with respect to the copyright . . . shall be given effect under this title, except as provided under title 11.

Section 201(e) was originally intended to prevent the Soviet Union from squelching dissidents by confiscating their copyrights, but the plain language of the section prohibits involuntary transfer by any government action. *See* Francis M. Nevins, Jr., *When an Author's Marriage Dies; The Copyright-Divorce Connection*, 37 J. Copr. Soc'y U.S.A. 382, 383-84 (1990); Nimmer Treatise at §§6A.03[C][2][b] & 10.04. The official comments to §201(e) say:

> The purpose of this subsection is to reaffirm the basic principle that the United States copyright of an individual author shall be secured to that author, and cannot be taken away by *any involuntary transfer*. It is the intent of the subsection that the author be entitled, despite any purported expropriation or involuntary transfer, to continue exercising all rights under the United States statute, and that the governmental body or organization may not *enforce or exercise any rights* under this title in that situation.
>
> * * *
>
> Traditional legal actions that may involve transfer of ownership, such as bankruptcy proceedings and mortgage foreclosures, are not within the scope of this subsection; the authors in such cases have voluntarily consented to these legal processes by their overt actions – for example, by filing in bankruptcy or by hypothecating a copyright.

> 1978 Acts. Senate Report No. 95-989 and House Report No. 95-595, *see* 1978 U.S.Code Cong. and Adm. News, p. 5787.
>
> (Emphasis added.)

Most commentators agree that §201(e) prohibits any involuntary transfer by operation of law. Nimmer Treatise at §§6A.03[C][2][b] & 10.04; Nevins, 37 J. Copr. Soc'y U.S.A. at 383-84; Wong, 31 Idaho L.Rev. at 1101. This reading is supported by the comments to the Act in which Congress expressed an intention to deem some otherwise apparently involuntary transfers – bankruptcy and hypothecation – to be voluntary. In addition, the express mention in §201(e) of the exception "provided by title 11" suggests a broad prohibition against enforcement of involuntary transfers in all other circumstances.

However, one court has construed §201(e)

> as dealing with actions initiated by governmental bodies, not with those where . . . the instruments of government are merely acting in furtherance of private objectives. . . . [T]his section has no application to governmental actions taken in the sphere of private law *where the government is merely enforcing private rights and is not the ultimate beneficiary*.

In re Peregrine Entertainment, Ltd., 116 B.R. 194, 206, n. 16 (C.D.Cal.1990) (emphasis added) (upholding the validity of state law encumbrances on copyrights). In addition, one commentator has criticized §201(e) as (1) unnecessary; (2) "a new departure from long-established principles of individual freedom"; (3) a principle "by no means basic to copyright or to American jurisprudence," considering that involuntary transfers "take a wide variety of forms under domestic law"; and (4) based on the flawed assumption "that voluntary transfers can be easily distinguished." Paul Goldstein, *Preempted State Doctrines, Involuntary Transfers and Compulsory Licenses: Testing the Limits of Copyright*, 24 U.C.L.A.L.R. 1107, 1124-25 (1977) ("Goldstein").

The reasoning of the Peregrine court is somewhat persuasive in light of the acknowledged original legislative intent to prevent totalitarian governments from expropriating dissidents' copyrights. Also compelling are criticisms of §201(e) as ill advised and unnecessary. Goldstein, 24 U.C.L.A.L.R. at 1124-25. However, the plain language of §201(e) and the comments – which specifically forbid a governmental entity from "enforc[ing] or exercis[ing] any rights" – suggest that a broad reading is correct and that §201(e) precludes any involuntary transfer of a copyright from the author to the community. Section 201(e) thus qualifies the provision for transfers "by operation of law" by requiring that "such operation of law must be triggered by the express or implied consent of the author." Nimmer Treatise §10.04 & n.8 (*citing Brooks v. Bates*, 781 F.Supp. 202, 205 (S.D.N.Y.1991)).

Consequently, in order for George to have transferred his copyrights, which the Act declares his separate property, to the community, he must have done so voluntarily. *See* Nimmer Treatise at §6A.03[C][2][b] ("Absent such consent . . . Worth's holding cannot comply with the Copyright Act, and hence would be clearly preempted.") *See also Patry*, 28 Bull. Copr. Soc'y U.S.A. at 267. Some commentators (and Veronica) suggest that George implicitly made a voluntary transfer of his copyrights by creating copyrighted works while married and living under

Louisiana's community property regime. Nimmer Treatise, §6A.03[C][2][b]; Wong, 31 Idaho L.Rev. at 1102; Patry, 28 Bull. Copr. Soc'y U.S.A. at 268-69. This "constructive voluntariness" argument is bolstered by recognizing the fact that George and Veronica could have opted out of Louisiana's community property regime either before or during their marriage (though deviating from the community regime during the marriage would have required judicial participation). La. Civ.Code arts. 2328 and 2329.[11]

There is little support in the body of copyright law for the concept of implied voluntariness. In a work-made-for-hire situation, the employee's acceptance of employment is deemed to be consent to the employer's ownership of copyrights in works created by the employee. 17 U.S.C. §201(b). But the Act treats the work-made-for-hire issue as one of authorship and not of transfer of rights; the employer is presumed to be the author initially and not by virtue of a post-creation transfer. *Id.* In addition, Congress itself expressly provided in the Act for this type of quasi-assignment of authorship, whereas spousal co-author or quasi-assignee fictions have no textual basis.

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[11] In Louisiana, couples have the option of entering a community property regime or a separate property regime. La. Civ.Code art. 2328 provides:

> A matrimonial agreement is a contract establishing a regime of separation of property or modifying or terminating the legal regime. Spouses are free to establish by matrimonial agreement a regime of separation of property or modify the legal regime as provided by law. The provisions of the legal regime that have not been excluded or modified by agreement retain their force and effect.

Patry, 28 Bull. Copr. Soc'y U.S.A. at 249. Further, none of the theoretical underpinnings of the work-made-for hire doctrine are present in the community property context. *Id.* Unlike the employee in the work-made-for hire situation, the author does not produce his work for the non-author spouse or under her direction; the author is not paid by the non-author spouse for his work; and the non-author spouse does not bear business costs and risks and thus should not reap the gain. *Id.* (discussing underpinnings of work-made-for-hire).

Louisiana's community property law provides no better theoretical basis for implied donations of separate property to the community. A copyright begins its existence as the author's separate property due to the preemptive effect of §102 of the Act. The preempted Article 2338 merely defines community property, but does not operate to transfer separate property from a spouse to the community. On the other hand, La. Civ.Code art. 2343.1[12] does provide that a spouse may transfer separate property to the other spouse "with a stipulation that it shall be part of the community." *Id.* Such a transfer with a stipulation "transforms the thing into community property." *Id.* However such "a transfer by onerous title must be made in writing and a transfer by gratuitous title must be made by authentic act." *Id.* *See Succession of Davis*, 496 So.2d 549

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[12] The transfer by a spouse to the other spouse of a thing forming part of his separate property, with the stipulation that it shall be part of the community, transforms the thing into community property. As to both movables and immovables, a transfer by onerous title must be made in writing and a transfer by gratuitous title must be made by authentic act. La. Civ.Code art. 2343.1

(La. App. 1 Cir. 1986) (where transfer of immovable property was found not to have been donated to the community). In this case, there has been no transfer in writing or by authentic act. On the contrary, George expressed his intention *not* to donate his separate property to the community when he registered the copyrights of his works for copyright protection, thus creating a rebuttable presumption of copyright ownership. 17 U.S.C. §410; *See, e.g., M.H. Segan Limited Partnership v. Hasbro, Inc.*, 924 F.Supp. 512 (S.D.N.Y.1996) (certificate is prima facie evidence of copyright ownership).

To make the "implied voluntary transfer by operation of law" theory fly in light of the contrary indications of both copyright law and community property law, the transfer would have to occur somehow instantaneously with the creation of the copyright. Patry, in his insightful pre-Worth article, suggests that "we could assume that Congress was aware that copyright would vest equally in an author and his or her non-author spouse in the community property states, and, by not providing to the contrary, impliedly approved of a joint authorship fiction." Patry, 28 Bull. Copr. Soc'y U.S.A. at 247. As an alternative, Patry suggests we assume that "Congress was aware of the vesting of equal rights in community property states, and by its silence allowed an implied assignment of a one-half interest to the non-author spouse by operation of the community property laws." *Id.* Patry likens these fictions to the quasi-assignment "fiction indulged in out of convenience and simplicity" in a work-made-for hire situation. *Id.* at 248 (internal quotations and citations omitted). Nonetheless, unlike the work-made-for-hire situation, there is no textual support nor any theoretical justification for this fiction, a point Patry concedes. *Id.* at 248-49.

To conclude that entering into a community property regime constitutes implied consent to the transfer of copyright ownership would require the court to ignore a variety of additional issues: the author's actual intent, possible disincentives to the author to create, inconsistencies that might arise in other jurisdictions, whether community property states or not, and the problems that could arise in a mobile society if the author and spouse move to a community property state. Such structure and balancing of rights is best left to the legislative branch of government.

One major policy consideration to be addressed by the legislative process would be the complex problem of the copyright management rights of co-owners. The creation of a new and unique class of co-owners would require third-party licensees and transferees to determine whether an author were subject to community property rules. The existence of numerous co-owners whose ownership rights are determined by state community property management rules would be contrary to the goal of national uniformity. Federal copyright law is intended to enhance predictability and certainty of copyright ownership, promote national uniformity and avoid the practical difficulties of determining and enforcing an author's rights under the differing state laws. *See Reid*, 109 S.Ct. at 2177. If community property law were to govern the rights of non-author spouses, there would be different management rules for each community property state and another for the rest of the nation. Indeed, there would be different sets of rules for co-owners within each state – one for those who co-own through community property laws, and one for other co-owners[13]. Nimmer

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[13] The Copyright Act is silent as to the management rights of copyright co-owners; those rights have been formulated through common law jurisprudence. *See generally* Nimmer Treatise, Ch. 6, "Co-ownership of Copyright". Despite the absence of controlling statutes, there is no reason to believe that Congress intended the issue of co-owners' rights to be left to the fifty states. Nimmer Article, 36 U.C.L.A.L.R. at 410. Federal law treats copyright co-owners as common law "tenants-in-common" with each owning an undivided interest in the whole copyright. *See* Nimmer Treatise, §6.09; Robert A. Gorman, *Copyright Law,* 48 (Federal Judicial Center 1991). Co-owners under federal law may "exercise all of the exclusive rights set forth in section 106 of the Act, or to license other persons to exercise those rights; but there is a duty to account to all other co-owners for their share of the proceeds of authorized exploitation." Gorman, *Copyright Law* at p. 48. Generally speaking, "a joint owner may, without obtaining the consent of the other joint owners, either exploit the work himself, or grant a nonexclusive license to third parties." Nimmer Treatise, §6.10, n.3. "Under the federal standard, both co-owners must agree to execute an exclusive license." Debra Polacheck, *The 'Un-Worthy' Decision: The Characterization of a Copyright as Community Property,* 17 Hastings Comm./Ent. L.J. 601, 627-28 (1995); Nimmer Treatise at §§6.10-.11; Carla M. Roberts, *Worthy of Rejection: Copyright as Community Property,* 100 Yale L.J. 1053, 1055 (1991).

By contrast, Louisiana community property law provides generally for equal management of community property. "Each spouse acting alone may manage, control, or dispose of community property unless otherwise provided by law." La. Civ.Code art. 2346. Under equal management principles, the non-author spouse could sell the copyright without the consent of the author, and even despite the author's objections and the purchaser's knowledge of the author's objection. *See* Spaht & Hargrave at §5.3. A non-author spouse could apparently grant

Treatise, §6A.02[C]. The presence of competing management rules "threatens chaos for both the copyright creative and consuming communities. Rival grantees may claim from a husband and wife; the resolution of their claims could turn on whether uniform federal standards should govern, or on where the spouses were domiciled, or on what the pertinent provisions of California, or New Mexico, or Louisiana law provide. Such a Balkanization of copyright transfers would benefit no one – not the grantees of copyrights, not the author-spouses, and ultimately not even the nonauthor-spouses." *Id.* (footnotes omitted). *Cf. also Roberts,* 100 Yale L.J at 1065-72 (addressing management and control problems under a Commerce Clause analysis and arguing that allowing different

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an exclusive license without the knowledge of the author, and at the risk to third parties negotiating with the author.

Equal management may also inhibit an author's ability to market the copyright, thereby defeating the Act's purpose in promoting creativity by allowing a limited monopoly. *See Wong,* 31 Idaho L.Rev. at 1108; Michael J. Perlstein, *Copyright as Community Property: Questions About Worth Are More Than Trivial,* 9 No. 11 Ent. L. Rep. 3 (Apr.1988); Roberts, 100 Yale L.J. at 1062-63. For example, a non-author spouse with equal management rights could thwart the author's chosen means of exploitation of a work by granting an exclusive license to one transferee, thereby depriving the author of any opportunity to grant a similar license. The non-author's grant of an nonexclusive license could diminish the value of another nonexclusive grant by the author. *See Roberts,* 100 Yale L.J. at 1062-64. "Any scheme that lessens the possibility of [the author's effective] exploitation not only harms both the author and the non-author spouse, but also undermines Congress' purpose in enacting the copyright laws: to encourage authorship." Nimmer Article, 36 U.C.L.A.L.R. at 412.

rules for community property states and the rest of the nation would violate the Commerce Clause).

Congress may determine that community property law and copyright law are best served when the author spouse retains sole management and control of the copyright while the non-author spouse shares only in the more tangible benefits. Nimmer Article, 36 U.C.L.A.L.R. at 412; Patry, 28 Bull. Copr. Soc'y U.S.A. at 271.[14] Equal sharing of the proceeds of the copyright sufficiently satisfies the prime goal of community property law by recognizing the non-author spouse's overall contribution to earning power of the community. Allowing the author spouse to retain control over the copyright protects third-parties from uncertainty of title and avoids threats to national uniformity that arise from diverse management schemes. *Cf.* Spaht & Hargrave, §3.34, p.132 (Noting the desirability of "(1) equitable sharing of the products of labor; [and] (2) no management complications or harm to the interests of third persons."). Author management protects the author's ability to exploit the work and thus minimizes any disincentive to create. Sole management is a means of preserving "the rights of authors' spouses while not impinging on the authors' ability effectively to exploit their copyrights." Nimmer Treatise, §6A.04.[15]

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[14] Nimmer proposes simply to grant the author spouse sole, unfettered control over the copyright. *See* Nimmer Article, 36 U.C.L.A.L.R. at 414. The proposed vehicle for this approach is the constructive consent of the non-author spouse to absolute management by the author spouse. *Id.* The author's consent to designate the copyright as community property would be contingent upon the non-author spouse's ceding complete control over the copyright to the author spouse. *Id.* at 414-15.

Another alternative is to treat co-owning spouses the same as other co-owners under federal copyright law. This approach would foster national uniformity, but would not improve the situation of third-parties. Nimmer calls this approach "a prescription for the worst disorder," primarily because it would retroactively transmute existing exclusive licenses into non-exclusive ones. *Id.* It would also work against preserving "the rights of authors' spouses while not impinging on the authors' ability to effectively exploit their copyrights." *Id.*

Conclusion

Successfully crafting the harmonious convergence of community property and copyright laws is not appropriate for a court of law. As Nimmer observed in response to the *Worth* decision over 20 years ago, harmonization of copyright law and community property may be "evanescent," and construing an appropriate copyright transfer concept would require some "imagination." Nimmer Article, 36 U.C.L.A.L.R. at 385. Even the advocates of treating a copyright as community property concede that a legislative remedy is to be preferred. Nimmer Article, 36 U.C.L.A.L.R. at 411, n.137; Patry, 28 Bull. Copr. Soc'y U.S.A. at 272. The court agrees.

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[15] Louisiana's community property regime does provide some methods for sole management by the author spouse.

Civil Code article 2350 provides: "The spouse who is the sole manager of a community enterprises has the exclusive right to alienate, encumber, or lease its movables unless the movables are issued in the name of the other spouse or the concurrence of the other spouse is required by law." Assuming that George's painting efforts are a community enterprise and that George is the sole manager, Veronica's concurrence in management would be still required if the granting of a license or some other copyright transaction were considered the alienation or encumbrance of "all or substantially all of the assets of a community enterprise." La. Civ.Code art 2347 (requiring concurrence of both spouses for such a transaction).

Civil Code article 2351 provides: "A spouse has the exclusive right to alienate, manage, encumber, or lease movables issued or registered in his name as provided by law." *See also* Spaht & Hargrave §5.7. Article 2351 would address the problem only when the author spouse has registered a copyright pursuant to §410 of the Act. Equal management rules would still apply to unregistered copyrights.

Perhaps there can be a stressless interface between copyright law and community property law. There is no irreconcilable conflict between fundamental goals of spousal equality and protection of the author's monopoly. For example, the basic aim of community property law is served by allowing non-author spouses to enjoy their share of the value of copyrights, even absent equal management rights. The goals of national uniformity and the protection of authors' rights to exploit their copyrights are protected by allowing authors alone the right of management, even though it be at the expense of equal management. At present, however, the conflict between Louisiana's community property law and the Act is irreconcilable. To deem copyrights to be community property would risk inflicting major damage on the Act's goals of predictability and certainty of copyright ownership, national uniformity, and avoidance of the practical difficulties of determining and enforcing an author's rights under the differing laws of the various states.

Harmonization of these policy goals is properly the product of legislative deliberation and compromise. "Deciding what competing values will or will not be sacrificed to the achievement of a particular objective is the very essence of legislative choice." *Rodriguez v. United*

States, 480 U.S. 522, 526 (1987). Congress has responded to court rulings insulating other areas of federally created property rights by providing for the rights of community property spouses. Perhaps it will make similar allowances in the area of copyright law.

The Copyright Act as written preempts Louisiana community property law on the question of ownership of copyrights, and George is the sole owner of the copyrights. Accordingly, George Rodrigue is entitled to summary judgment declaring that federal copyright law preempts Louisiana community property law. George Rodrigue's motion for summary judgment is **GRANTED** and Veronica Hidalgo Rodrigue's motion for summary judgment is **DENIED.**

New Orleans, Louisiana, this 12 day of February, 1999.

/s/ Mary Ann Vial Lemmon
MARY ANN VIAL LEMMON
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF LOUISIANA

GEORGE GODFREY RODRIGUE, JR. CIVIL ACTION
VERSUS NO: 95-2862
VERONICA HIDALGO RODRIGUE SECTION: "S" (3)

JUDGMENT

(Filed Mar. 2, 1999)

IT IS ORDERED, ADJUDGED AND DECREED that judgment is entered in favor of the defendant, George Godfrey Rodrigue, Jr., and against plaintiff, Veronica Hidalgo Rodrigue. **IT IS FURTHER ORDERED** that the complaint is **DISMISSED**.

New Orleans, Louisiana, this 2 day of March, 1999.

/s/ Mary Ann Vial Lemmon
MARY ANN VIAL LEMMON
UNITED STATES DISTRICT JUDGE

Constitution of the United States, Copyright Clause

Article I, Section 8, Clause 8

The Congress shall have Power . . . To Promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.

Copyright Act of 1976, 17 U.S.C. §§ 101-803 (2000)

§ 106. Exclusive rights in copyrighted works.

Subject to sections 107 through 12[2], the owner of copyright under this title has the exclusive rights to do and to authorize any of the following:

(1) to reproduce the copyrighted work in copies or phonorecords;

(2) to prepare derivative works based upon the copyrighted work;

(3) to distribute copies or phonorecords of the copyrighted work to the public by sale or other transfer of ownership, or by rental, lease, or lending;

(4) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and motion pictures and other audiovisual works, to perform the copyrighted work publicly;

(5) in the case of literary, musical, dramatic, and choreographic works, pantomimes, and pictoral, graphic, or sculptural works,

including the individual images of a motion picture or other audiovisual work, to display the copyrighted work publicly; and

(6) in the case of sound recordings, to perform the copyrighted work publicly by means of a digital audio transmission.

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§ 201. Ownership of copyright.

(a) Initial ownership. Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners of copyright in the work.

Louisiana Civil Code (2000)

Art. 2336. Ownership of community property

Each spouse owns a present undivided one-half interest in the community property. Nevertheless, neither the community nor things of the community may be judicially partitioned prior to the termination of the regime.

During the existence of the community property regime, the spouses may, without court approval, voluntarily partition the community property in whole or in part. In such a case, the things that each spouse acquires are separate property. The partition is effective toward third persons when filed for registry in the manner provided by Article 2332.

Art. 2338. Community property

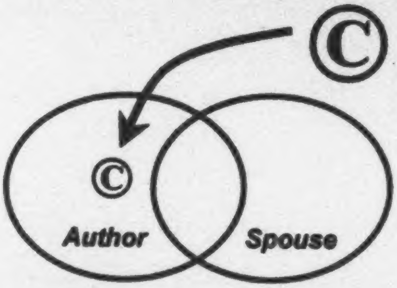
The community property comprises: property acquired during the existence of the legal regime through the effort, skill, or industry of either spouse; property acquired with community things or with community and separate things, unless classified as separate property under Article 2341; property donated to the spouses jointly; natural and civil fruits of community property; damages awarded for loss or injury to a thing belonging to the community; and all other property not classified by law as separate property.

Art. 2369.3. Duty to preserve; standard of care

A spouse has a duty to preserve and to manage prudently former community property under his control, including a former community enterprise, in a manner consistent with the mode of use of that property immediately prior to termination of the community regime. He is answerable for any damage caused by his fault, default, or neglect.

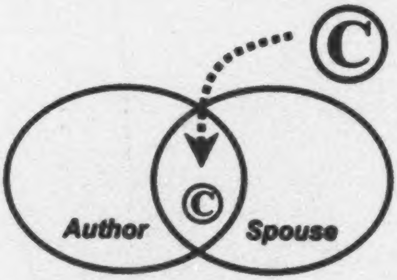
A community enterprise is a business that is not a legal entity.

Federal Copyright Law



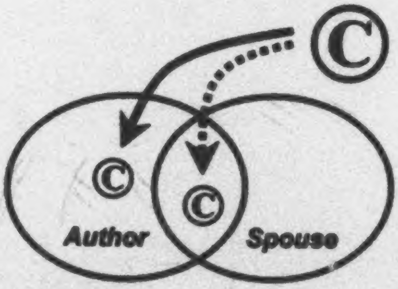
17 U.S.C. § 201(a). Initial Ownership.
"Copyright in a work protected under this title vests initially in the author or authors of the work. The authors of a joint work are coowners of copyright in the work."

State Community Prop. Law



La. Civ. Code art. 2338. Community Property.
"The community property comprises: property acquired during the existence of the legal regime through the effort, skill or industry of either spouse . . . ."

Fifth Circuit Opinion



Rodrigue v. Rodrigue **(5th Cir. 2000).** Ownership of copyright is dismembered. All civil fruits (i.e., all economic benefits) to the community; the residual (i.e., "naked ownership" and the "right to use") to the author.

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Supreme Court, U.S.
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No. 00-1059

IN THE

Supreme Court of the United States

GEORGE GODFREY RODRIGUE, JR.
and RICHARD STEINER,

Petitioners,

v.

VERONICA HIDALGO RODRIGUE,

Respondent.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE FIFTH CIRCUIT

BRIEF IN OPPOSITION

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TABLE OF CONTENTS

Page

Table of Cited Authorities ii

Reasons for Denying the Writ 1

Argument 5

  A. Introduction 5

  B. The Court Of Appeals Decision Does Not Conflict With The United States Constitution 7

  C. The Court Of Appeals Decision Does Not Conflict With Section 201(a) Of The Copyright Act 8

  D. The Court Of Appeals Decision Does Not Allow Veronica Rodrigue To Compel George Rodrigue To Exercise Any Rights In The Copyright 14

  E. The Court Of Appeals Decision Imposes No Undue Burden On Commerce In Copyrights 16

  F. Even If The Reasoning Of The Court Of Appeals Decision Were Incorrect (Which Is Denied), The Refusal To Preempt Community Property Law Is The Correct Result 18

Conclusion 20

TABLE OF CITED AUTHORITIES

Page

Cases:

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Page

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Page

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Article 1, Section 8, Clause 8 7

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17 U.S.C. § 106 11

17 U.S.C. § 201(a) 8, 9, 11

17 U.S.C. § 201(d) 18, 19

17 U.S.C. § 201(d)(1) 7, 8

Page

17 U.S.C. § 203 11

17 U.S.C. § 301(a) 6

17 U.S.C. § 301(b) 6

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Louisiana Civil Code Article 2334 9

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Louisiana Civil Code Articles 2369.2 9

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Louisiana Civil Code Article 2369.4 9

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United States Supreme Court Rule 10(c) 3

Other Authority:

COPYRIGHT, PATENT, OR OTHER INTELLECTUAL PROPERTY AS MARITAL PROPERTY FOR PURPOSES OF ALIMONY, SUPPORT, OR DIVORCE SETTLEMENT, 80 A.L.R. 5th 487 (2000) 2

REASONS FOR DENYING THE WRIT

The July 7, 2000, decision of the Fifth Circuit Court of Appeals (the "Court of Appeals Decision") does not present any compelling reason for this Court to grant the petition for a writ of certiorari. As discussed below, the court of appeals was correct to conclude that no alleged conflicts between Louisiana's law of community property and the Federal Copyright Act required preemption of the Louisiana law. Further, there is no genuine conflict between the Court of Appeals Decision and any decision of this Court. Likewise, the Court of Appeals Decision does not involve or reflect any split or conflict in the decisions of different federal circuit courts of appeals, or any conflict between the decision of any state court and the decisions of this Court or any other federal court.

Petitioners assert that this Court should grant certiorari to review the Court of Appeals Decision because this case decides an important issue of federal law that has not been, but should be settled by this Court. It is true that this Court has never directly addressed the precise issue presented by this case — whether any part of Louisiana's law of community property so conflicts with federal copyright law as to require preemption of community property law as applied to copyrights. However, the refusal by the court of appeals to find preemption in this case is consistent with the existing jurisprudence regarding the division of intellectual property rights in divorce proceedings. Thus there is nothing that needs "settling" and no need to grant certiorari in this case. While the decision of this case is of great importance to the parties, the subject of alleged preemption of community property law as applied to copyrights is not one that has given rise to recurring litigation.

decision suggesting otherwise was the decision of
ct court in this case, which was reversed by the Court
ls Decision. Thus there simply is no conflict, and
hat has not been, but should be, settled by this Court.
Sup. Ct. R. 10(c).

1995); *Krueger v. Krueger*, 174 Kan. 249, 255 P.2d 621
atter of Marriage of Monslow, 259 Kan. 412, 912 P.2d
.L.R. 5th 777 (1996); *Howes v. Howes*, 436 So. 2d 689
pp. 4th Cir. 1983), *writ denied*, 441 So. 2d 216 (La. 1983);
l v. McDougal, 451 Mich. 80, 545 N.W.2d 357, 38
d (BNA) 1842 (1996); *Wiand v. Wiand*, 178 Mich. App.
.W.2d 464 (1989), and, 205 Mich. App. 360, 522 N.W.2d
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iage of Perkel, 963 S.W.2d 445 (Mo. Ct. App. S.D. 1998),
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0 A.D.2d 963, 566 N.Y.S.2d 132 (4th Dept. 1991);
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ppeal dismissed, 82 N.Y.2d 741, 602 N.Y.S.2d 591, 621
98 (1993); *Phillips v. Phillips*, 1982 WL 2543 (Ohio Ct.
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790 P.2d 52 (Utah Ct. App. 1990); *Dunn v. Dunn*, 802
(Utah Ct. App. 1990); *Jennings v. Jennings*, 12 Va. App.
S.E.2d 8 (1991); and *Shultz v. Shultz*, 1998 WL 463480
. App. Div. 1 1998).

Despite petitioners' contrary assertion, no alleged conflict between the Court of Appeals Decision in this case and the decision of this Court in *Community for Creative Non-Violence v. Reid*,[3] warrants the grant of a writ of certiorari to review this case. The *CCNV* decision did not consider the issue of management rights in a copyright classified as community property, and did not mandate or even address the classification of a copyright arising during the author's marriage as either separate or community property. The *CCNV* case involved a dispute over authorship of an alleged "work made for hire", a statutory creation of the Copyright Act that is clearly inapposite here.[4] While this Court did mention vesting of ownership of a copyright in the *CCNV* case, that decision did not consider the nature of the ownership, or the classification of the copyright at issue there as separate or community property.

Likewise, and as discussed more fully below, nothing in either the copyright clause of the United States Constitution or the Copyright Act addresses whether the copyrights vesting in married authors are to be classified as separate or community property. The alleged "conflicts" upon which petitioners rely are either non-existent or, at most, the sort of "mere conflict in words" that this Court has held does not warrant federal preemption of Louisiana's law of community property.[5]

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[3] 490 U.S. 730, 108 S. Ct. 2166, 104 L. Ed. 2d 811 (1989).

[4] 490 U.S. at 737-738, 108 S. Ct. at 2171.

[5] *See Hisquierdo v. Hisquierdo,* 439 U.S. 572, 581, 99 S. Ct. 802, 808, 59 L. Ed. 2d 1 (1979).

Petitioners also rely on various articles criticizing the *Worth* case.[6] But *Worth* has been the law of California since 1987, and the application of the *Worth* decision has not imposed any demonstrable burden on either the motion picture and television industries centered in Hollywood or the high tech industries of Silicon Valley. The parade of horrors predicted by those commentators who criticized *Worth* has never materialized. The dearth of case law even addressing the issue demonstrates that the alleged conflict with the Copyright Act resulting from the application of state community property law to copyrights is illusory. Clearly this Court does not need to grant certiorari in this case to protect anyone or anything from the Court of Appeals Decision in this case (or from the *Worth* case).

ARGUMENT

A. Introduction

Petitioners, artist George Rodrigue and his former business associate, Richard Steiner, ask this Court to grant certiorari to review the July 7, 2000, decision of the Fifth Circuit Court of Appeals in this case (the "Court of Appeals Decision"). Petitioners contend that the Court of Appeals Decision should be reversed because the federal Copyright Act preempts the classification as community property, pursuant to Louisiana law, of the copyright in the "Blue Dog" image, a highly stylized, remarkably consistent depiction of a former family pet of petitioner George Rodrigue and respondent, Veronica Rodrigue. The Blue Dog image has become a popular art phenomenon, and the signature image in George Rodrigue's very successful career as an artist.

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[6] *See* Petition For Certiorari at pp. 4-5 n.1.

It is undisputed that the copyright(s) at issue arose while George and Veronica Rodrigue were married and living in a community property regime, but George Rodrigue contends that as a matter of federal law, he must be allowed to keep the entire value of the copyrights, while evenly dividing all other property of the marriage.

Further, the petitioners do not even acknowledge the heightened standard that this Court has already held must be met before any alleged conflict with federal law would preempt state law in the area of domestic relations.[7] This Court has repeatedly held that the entire area of domestic relations (including marital property) is particularly the province of state law, not federal law.[8] This Court has recognized that in the realm of domestic relations, more is required before federal law will invade that exclusive province of the states. There must be both an express conflict between the state and federal law, and there must be "major damage" to "clear and substantial" federal interests.[9]

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[7] Only so-called "conflict preemption" could apply in this case. Section 301(a) of the Copyright Act contains an express preemption clause, but there is no dispute that Section 301(a) does not preempt the rights at issue here. *See* 17 U.S.C. §§ 301(a), 301(b), and Court of Appeals Decision, reproduced in the Appendix to Petition for Certiorari ("Petitioners' App."), at p. App. 16.

[8] *See Boggs v. Boggs*, 520 U.S. 833, 117 S. Ct. 1754, 1764, 138 L. Ed. 2d 45, *reh. den.*, 521 U.S. 1138, 118 S. Ct. 9, 138 L. Ed. 2d 1043 (1997); *and Hisquierdo v. Hisquierdo*, 439 U.S. 572, 580, 99 S. Ct. 802, 808, 59 L. Ed. 2d 1 (1979), *citing In Re Burrus*, 136 U.S. 586, 593-594, 10 S. Ct. 850, 853, 34 L. Ed. 500 (1890).

[9] *Hisquierdo v. Hisquierdo*, 439 U.S. 572, 581, 99. S. Ct. 802, 808, 59 L. Ed. 2d 1 (1979), *citing United States v. Yazell*, 382 U.S. 341, 352, 86 S. Ct. 500, 507, 15 L. Ed. 2d 404 (1966).

The Court of Appeals Decision does not pose the sort of conflict that would be required to support the preemption of Louisiana's community property law.

B. The Court Of Appeals Decision Does Not Conflict With The United States Constitution

Petitioners argue initially that the Court of Appeals Decision violates the United States Constitution because the treatment of copyrights as separate property allegedly is mandated by the "copyright clause," Article 1, Section 8, Clause 8 of the United States Constitution.[10] That provision grants the power to secure to authors "the exclusive right to their respective writings." Petitioners argue that the copyright clause mandates classification of copyrights as separate property, because the rights must be secured "exclusively", and only to "authors." This argument fails because petitioners' literal reading of the copyright clause would preclude *any* law by which any person other than an author acquires any ownership in a copyright. If "exclusive rights" in a copyright must be granted only to an "author", and not a spouse, no one but an author could ever acquire a copyright.

Petitioners tacitly admit this reading cannot be correct, because they do not dispute that copyrights may be transferred to others besides the author, both by contract and by operation of law. Indeed, the Copyright Act recognizes that very transferability. Section 201(d)(1) of the Copyright Act provides that:

> The ownership of a copyright may be transferred in whole or in part by any means of conveyance

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[10] *See* Petition for Certiorari at pp. 9-10.

> or by operation of law, and may be bequeathed by will or pass as personal property by the applicable laws of intestate succession.[11]

Thus, if the Constitution permits Congress to authorize transfers at all, and to authorize them by contract or by operation of law, then the Constitution permits an interpretation of the Copyright Act that does not preempt the classification of copyrights as community property by operation of state law. Accordingly, the Court of Appeals Decision's conclusion that the application of Louisiana's community property law is not preempted by the Copyright Act poses no conflict at all with the copyright clause of the Constitution.

C. The Court Of Appeals Decision Does Not Conflict With Section 201(a) Of The Copyright Act

Petitioners next argue that by allowing copyrights to vest in the author, but to be classified as community property (that is, by allowing both spouses to share in the economic benefits of the copyright), the Court of Appeals Decision conflicts with Section 201(a) of the Copyright Act.[12] Petitioners attempt to take advantage of the admittedly unique terminology of Louisiana's civil law [13] to create the appearance of a conflict where there is none, or where there exists at most a "mere conflict in words" of the sort that this Court has recognized does not justify preemption.

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[11] 17 U.S.C. § 201(d)(1).

[12] *See* Petition for Certiorari at pp. 11-12.

[13] The original Louisiana Civil Code was based upon French civil law, rather than English common law.

The Court of Appeals Decision discusses the ownership rights of spouses by comparison to Louisiana's civil law terminology of *usus, abusus, and fructus*. The Court of Appeals Decision uses those civil law concepts to discuss the separation of the community property right of ownership and participation in the fruits, or economic benefits of the copyright (the "*fructus*"), from the right to manage and control the disposition of the copyright (the "*usus*" and "*abusus*").[14] The Court of Appeals Decision concludes that Louisiana Civil Code Article 2334, granting the right to share in the economic benefits of the copyright, is not preempted, but that any grant of equal management of the copyright to the non-author spouse, pursuant to Louisiana Civil Code Articles 2346, 2369.1, 2369.2 or 2369.4, is preempted.[15] That conclusion does not conflict with the Copyright Act or with the cases interpreting it.

As noted above, petitioners cite to this Court's decision in *Community for Creative Non-Violence v. Reid*,[16] and to various other cases which refer to Section 201(a) of the Copyright Act, for the proposition that "ownership" of a copyright "vests initially" in the author, and must therefore be classified as the author's separate property.[17] Nothing in the Court of Appeals Decision actually conflicts with those cases, however, because none of them defines the *content* of the ownership that vests initially in the author, or considers whether the copyright that vests is classified as community or separate property. The dispute in *CCNV* was between the organization that commissioned a work of statuary, and the sculptor who accepted the commission.[18] The Court concluded that the sculptor was not an employee of the commissioning organization, and that the work therefore was not one made for hire (a separate, statutorily created status that is legally and factually distinguishable from the classification of copyrights as community property or separate property).[19] Had the sculptor been an employee, the work would have been deemed a work made for hire, and the employer would have owned the copyright.[20] None of the contested issues in the *CCNV* case has any bearing on the dispute in this action.

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[14] *See* Court of Appeals Decision, Petitioners' App., at pp. App. 9-12.

[15] *See id.*, at App. 11-12.

[16] 490 U.S. 730, 109 S. Ct. 2166, 104 L. Ed. 2d 811 (1989).

[17] *See* Petition for Certiorari at pp. 12-13 n.16.

Petitioners cite to other cases that they say present the same conflict with the Court of Appeals Decision.[21] However, all but one of the other cases on which petitioners rely to demonstrate the alleged conflict concern the ownership of copyrights in works made for hire. The only case that petitioners cite for this proposition which *does not* concern a work made for hire is *Walthal v. Rusk*.[22] That case, however, did not involve a dispute over ownership at all. The *Walthal* case actually *rejected* a claim that state law on termination of contracts was preempted by Section 203 of the Copyright Act, 17 U.S.C. § 203, which provides a thirty-five year *maximum* duration for a license agreement.[23] The *Walthal* case certainly does not conflict with the holding of the Court of Appeals Decision that state law is not preempted here.

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[18] 490 U.S. at 737-738, 109 S. Ct. at 2171.

[19] *Id.*

[20] *Id.*

[21] *See* Petition for Certiorari at pp. 12-13 n.16.

[22] 172 F.3d 481 (7th Cir. 1999).

The alleged conflict between the Court of Appeals Decision and case law interpreting Section 201(a) of the Copyright Act is illusory. The Court of Appeals Decision is in harmony with the only other appellate decision squarely addressing this issue,[24] and with the law that has applied since 1987. Nothing in that harmony warrants review by this Court on a writ of certiorari.

Petitioners also argue that Louisiana community property law, as interpreted by the Court of Appeals Decision, conflicts with the Copyright Act because it does not classify the economic benefits from the copyright as petitioner George Rodrigue's separate property. The Court of Appeals Decision interprets the Copyright Act as requiring that George Rodrigue have sole control over *management* of the copyright (the exclusive rights specifically enumerated in Section 106 of the Act, 17 U.S.C. § 106).[25] The decision points out, however, that the Copyright Act does not address the classification of the economic benefits as separate or community property.

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[23] *Id.*, 172 F.3d at 485.

[24] *In re Marriage of Worth*, 195 Cal. App. 3d 768, 241 Cal. Rptr. 135 (1st Dist. 1987).

[25] *See* Court of Appeals Decision, Petitioners' App., at pp. App. 16-17.

Under the Court of Appeals Decision's interpretation, an author would have exclusive control over each of the exclusive rights enumerated in the Copyright Act. Thus an author could, for example, license the valuable property right to use the Blue Dog image as part of a major advertising campaign by a manufacturer of copiers and color printers, free from any participation or interference by his spouse in the negotiation of that agreement. However, the Court of Appeals Decision preserves to the marital community (or to the spouses individually, during the ordinarily brief period after divorce but before partition of the marital property) the beneficial right to share in the proceeds of the licensing agreement (the "*fructus*"). That beneficial interest in the license fee exists because the right that is licensed — in this case the copyright in the Blue Dog image — is one that arose during the existence of the community, and is classified as community property by operation of Louisiana law.

Petitioners complain that the Court of Appeals Decision imposes so great a burden on authors as to "gut[] the very essence of copyright."[26] But the only "burden" imposed by the Court of Appeals Decision is that an author spouse could not enjoy the benefits of community property throughout a twenty-six year marriage, while devoting himself entirely to the creation of a valuable copyright that can be used and licensed to generate millions of dollars in the future, then seek a divorce, claim half of all of the other property of the marriage, yet keep 100% of that copyright asset for himself.

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[26] *See* Petition for Certiorari at p. 16.

Respondent respectfully suggests that by preventing that sort of conduct, neither the Court of Appeals Decision nor Louisiana law imposes any undue burden on the accomplishment of the legitimate objectives of the Copyright Act.[27]

Petitioners acknowledge that the purpose of the Copyright Act is to foster creative activity and provide the means for commerce in copyrights. Yet they have presented no evidence of any decline in creative activity or commerce in copyrights in California, which has classified copyrights as community property for more than thirteen years. On the record before this Court, there is no basis to support any finding that the application of community property law to copyrights would cause any damage, much less "major damage" to a "clear and substantial" federal interest. Thus, petitioners cannot meet the test this Court established in *Hisquierdo* would be necessary to justify federalizing the law of marital property as petitioners request. There is no reason to grant a writ of certiorari in this case, or to preempt Louisiana's law of community property.

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27. The only alternative to creating such an unfair hybrid scheme, where the author spouse gets all of the benefits of community property (*i.e.* half of all marital assets other than the copyright), but nevertheless keeps the most valuable asset solely for himself, would be to create a federal common law of marital property, that would replace the preempted state law and apply to all assets of the marriage. Such a "solution", however, would be inconsistent with the long-established principle that domestic relations law is the special province of the states.

D. The Court Of Appeals Decision Does Not Allow Veronica Rodrigue To Compel George Rodrigue To Exercise Any Rights In The Copyright

Petitioners next argue that the Court of Appeals Decision conflicts with the Copyright Act because the Court of Appeals Decision allegedly creates a state-law right to compel George Rodrigue to exercise the copyright in the Blue Dog image.[28] That argument is premised on a gross distortion of the Court of Appeals Decision.

The Court of Appeals Decision does acknowledge the possibility that the state court, in a partition proceeding, might hold petitioner George Rodrigue liable for any breaches of a duty under Louisiana Civil Code Article 2369.3, to manage prudently any former community property under his control.[29] Petitioners argue that the suggestion that George Rodrigue might be answerable for any damage to community property caused by his fault, default or neglect amounts to granting Veronica Rodrigue a right under state law to compel George Rodrigue to license, use, or otherwise exploit the copyright in the Blue Dog image.[30] That argument ignores clear statements to the contrary in the Court of Appeals Decision

First, the Court of Appeals Decision explicitly states that it "leave[s] for another day" whether the author spouse has any duty to manage prudently the assets of the former community, and that it "did not reach this issue" of possible liability for any loss sustained by reasons of the author spouse's breaches of any such duty.[31] The Court of Appeals Decision merely refused to preclude the possibility that if George Rodrigue opts to "cut off his nose to spite his face" — that is, to refuse to exercise his rights under the copyright, or to waste or destroy the copyright as an asset — he might under state law be answerable for any damages to the value of the copyright that result from his fault, default, or neglect.[32]

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[28] *See* Petition for Certiorari at pp. 17-18.

[29] *See* Court of Appeals Decision, Petitioners' App., at p. App. 11 n.22.

[30] *See* Petition for Certiorari at pp. 17-18.

Petitioners' argument that the Court of Appeals Decision grants non-author spouses a "*state-law* right to compel [the author] to exercise rights which under *federal law* are 'exclusively' his to exercise"[33] is akin to arguing that the power of a state court to impute income to a spouse who deliberately under-employs himself or herself, for the purpose of avoiding or limiting a child support obligation, violates the constitutional prohibition against involuntary servitude. The under-employed spouse is not compelled to take any particular job. Rather, he or she is merely compelled to pay child support based upon the potential income he or she could earn, irrespective of any personal decision not to take advantage of that potential.

Likewise, George Rodrigue could not be compelled under the Court of Appeals Decision to paint new Blue Dog paintings, or to grant any particular license to use the Blue Dog image. The Court of Appeals Decision leaves that decision (part of the management rights, or *usus*) to petitioner

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[31] *See* Court of Appeals Decision, Petitioners' App., at p. App. 11, n.22.

[32] *See id.* at pp. App. 23, App. 24.

[33] *See* Petition for Certiorari at p. 18 (emphasis in original).

ed,[35] the very same sort of shared ownership and
nent powers that are created by operation of
ty property law can also be created by other actions,
by entering into a contract or dying intestate. Yet
itioners would concede that such acts are not
d by the Copyright Act.

xample, if a copyright author forms a partnership,
fers a copyright to that partnership by contract or
e, the very same issues of co-ownership and
nent of the copyright, and of the duty of one
to account to the other, are created by the state
rning the partnership.[36] Yet the federal courts have
d that such laws and duties are not preempted under
right Act.[37] Likewise, if George Rodrigue were to
ate, his interest in the copyright in the Blue Dog
ould pass by operation of Louisiana law to
rship in indivision by George and Veronica
's two sons. Neither Congress nor the Copyright
ive any unbearable burden on copyright law from
ibility. Yet petitioners fail to recognize that the
f any) imposed by the Court of Appeals Decision is
r than the "burden" imposed through creation of a
ip or through intestacy.

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ee Court of Appeals Decision, Petitioners' App., at pp.
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ddo v. Riess, 743 F.2d 630, 632-633 (9th Cir. 1984).

ee Goodman v. Lee, 78 F.3d 1007, 1012 (5th Cir. 1996),
d sub nom. Lee v. Goodman, 519 U.S. 861, 117 S. Ct.
. Ed. 2d 108 (1997) (state law imposes obligation of co-
ccount to other co-owner for use of co-owned copyrights);
iess, 743 F.2d 630, 632-633 (9th Cir. 1984).

Indeed, the general scheme of the Copyright Act recognizes that state law may govern transfers of ownership and may differ from state to state. Thus, the application of the Court of Appeals Decision does not create an intolerable burden on commerce in copyrights, or stand as such an obstacle to the accomplishment of the purpose of the Copyright Act that it does "major damage" to a "substantial federal interest." Accordingly, petitioners are wrong to suggest that the Copyright Act must preempt Louisiana community property law.

F. Even If The Reasoning Of The Court Of Appeals Decision Were Incorrect (Which Is Denied), The Refusal To Preempt Community Property Law Is The Correct Result

Finally, even if the reasoning and terminology applied by the Court of Appeals Decision were wrong (which is denied), the Court of Appeals Decision itself notes, "and do[es] not necessarily disapprove" of an equally valid solution, adopted by the only other appellate court to address this issue.[38] In *In re Marriage of Worth*,[39] the California court of appeal squarely rejected the arguments on which petitioners rely here, and held that the substantially identical community property law of California is not preempted by the Copyright Act.[40] Despite the unfounded predictions of various commentators that the decision in *Worth* would render commerce in copyrights impossible, *Worth* has been the law of California since 1987, and no such problems have arisen. As the Court of Appeals Decision recognized, the reasoning and result in *Worth* are "consistent" with, although "analytically distinct" from that of the Court of Appeals Decision,[41] and if this Court sought an alternative to the reasoning of the Court of Appeals Decision, it can and should adopt the holding of the *Worth* case, without imposing any undue burden on copyright law.

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[38] Court of Appeals Decision, Petitioners' App., at p. App. 13, n.26.

[39] 195 Cal. App. 3d 768, 241 Cal. Rptr. 135 (1st Dist. 1987).

[40] In *Worth*, the California court of appeal noted that Section 201(d) of the Copyright Act permits copyrights to be transferred

(Cont'd)

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"by operation of law", and that community property classification of a copyright was essentially a transfer by operation of law, expressly permitted by Section 201(d). Thus it found no conflict with the Copyright Act that would warrant preemption of community property law. In Louisiana (as in California), community property is the "legal regime", and the classification of the copyright as community property therefore occurs "by operation of law." Thus the same result would obtain if this Court were to adopt the rationale of *Worth*.

[41] Court of Appeals Decision, Petitioners' App., at p. App. 13 n.26.

CONCLUSION

Respondent, Veronica Hidalgo Rodrigue, respectfully suggests that the Court of Appeals Decision does not present an appropriate case for grant of the petition for a writ of certiorari, and that this Court should deny the petition for certiorari of George Godfrey Rodrigue, Jr., and Richard Steiner.

Respectfully submitted,

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